

Trust Financial Reserves Policy



Financial Regulations Manual

Contents

- 1 Introduction
- 2 Organisation
- 3 Accounting System
- 4 Financial Planning
- 5 Payroll
- 6 Purchasing
- 7 Income
- 8 Cash Management
- 9 Fixed Assets

Appendices

1 Introduction

The purpose of this manual is to ensure that the trust maintains and develops systems of financial control which conform with the requirements both of propriety, and of good financial management. It is essential that these systems operate properly to meet the requirements of the funding agreement between Inspire Trust and the Department for Education, the Articles of Association and the Academies Handbook.

The trust must comply with the principles of financial control outlined in the academies guidance published by the DfE. This manual expands on that and provides detailed information on the trust's accounting procedures and should be read by all parties involved with financial systems.

It is vital that all the financial procedures are clear and precise. Having this document in the trust will:

- Allow continuity and consistency in the absence or changes of key finance personnel;
- Document the financial procedures and internal controls within those procedures;
- Document decisions of the trustees;
- Reduce audit time in testing systems, procedures and controls, because they are properly recorded;

2 Organisation

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

The Members

The Members set the vision, values and objectives of the Trust. They also have responsibility for reviewing the governance of the Trust. The main responsibilities include:

- that they may amend the articles of association subject to any restrictions created by the funding agreement or charity law
- Appoint new members or remove existing members
- Powers to appoint and remove trustees
- May by special resolution issue direction to the trustees to take a specific action
- Appoint the Trust's external auditors and receive (but do not sign) the audited accounts and annual report
- Power to change the company name and ultimately wind it up

The Board of Trustees

The Trustees are collectively responsible for the overall direction of the trust and its strategic management. The Trustees must apply the highest standards of conduct and ensure robust governance as these are critical for financial management. This involves determining the guiding principles within which the trust operates and then making decisions, for example, how to spend the trust budget. The Trustees have overall responsibility for the administration of the trust's finances; ensuring proper stewardship over the funds including regularity, propriety and for ensuring economy, efficiency and effectiveness (value for money VFM). The Trustees are also responsible for ensuring the trust meets all its statutory obligations. The main

responsibilities of the Trustees are prescribed in the Scheme of Delegation (SoD). The financial responsibilities include:

- ensuring that income relating to the charitable objects of the Trust is used only for the purposes intended;
- ensure that each academy is working within the articles of association, funding agreement and academies handbook;
- approval of written scheme of delegation of its financial powers and duties;
- receive regular reports to review financial data including KPI's and benchmark/national data, if appropriate
- consider reports to be submitted to DfE;
- appointment of the Headteacher and subsequent performance management;
- appointment of a senior executive leader or equivalent who should also be the Accounting Officer
- ratify pay progression;
- consider reports from the Finance and Audit Committee which included approval of annual budget, risk register, insurance cover;
- authorise disposal of individual items of equipment and materials surplus to requirements in accordance with the financial regulations;
- preparation of the annual Company Accounts which will include details of the trust's governance arrangements and Annual report;
- inform the ESFA if it suspects any irregularity affecting resources;
- receive responsible officer and annual audit reports and respond accordingly;
- receive and approve relevant statutory and regulatory policies/schedules for this area of business.

The Finance and Audit Committee

The Finance and Audit Committee (FAC) is a sub-group of the Board of Trustees which is made up of Chair and Vice-Chair of Trust and Chairs of each organisations Local Governing Body. The FAC meets as required. The main responsibilities of the FAC are detailed in written terms of reference which have been authorised by the Trustees. The main responsibilities include:

- the initial review and recommendation for approval of the annual budget for each academy and Trust as a whole;
- monitor Trust finances on a regular basis, including use of reserves (Trustees to receive reports monthly);
- receive and recommend, for approval, ESFA returns prior to submission;
- monitor and review capital expenditure and funding;
- approval of purchases following tender process in accordance with Trust Financial Regulations;
- make recommendations on any decision taken to the Board;
- the regular monitoring of actual expenditure and income against budget;
- monitor and recommend for approval in-year budget revisions and virements;
- authorise write off debts subject to necessary approval;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the ESFA guidance issued to academies;
- authorising the award of contracts as per Trust Financial Regulations and report as necessary to the board;

- assume the role of audit committee to approve and review programme of work for internal financial control;
- reviewing the reports of the Responsible Officer/Internal Audit on the effectiveness of the financial procedures and control and make recommendations to the board;
- ensuring arrangements for insurance cover/risk control including risk register are in place and adequate with assurance given to the board;
- ensuring arrangements for security of assets, asset register and disposal of assets are adequate;
- review and make recommendations to the Board in respect of the annual audit report;
- review and recommend for approval the relevant statutory and regulatory policies/schedules for this area of business including Trust Reserves Policy.

The Accounting Officer

The Accounting Officer has overall executive responsibility for the trust's activities including financial activities. Much of the financial responsibility has been delegated to the Director of Finance and Physical Resources (Chief Finance Officer) but the Accounting Officer still retains responsibility for:

- ensuring that there is compliance with the trusts' funding agreement and the Academies Handbook; any non-compliance must be reported;
- ensure high standards of probity in the management of public funds, particularly: regularity, propriety and value for money, also adhering to the 'seven principles of life';
- ensuring that new staff appointments within each academy are within the delegated limits and financially viable, except for any Deputy Headteacher and Headteacher appointments
- complete and sign a value for money statement annually;
- must complete and sign a statement on regularity propriety and compliance annually and submit this to ESFA with the audited accounts;
- authorising contracts/tenders in conjunction with the Finance and Audit Committee;
- authorising BACS payments in conjunction with the Bank Mandate ensuring that segregation of duties is maintained with these records;
- signing and authorise payroll;
- sign and authorise VAT returns;
- ensure all records are up-to-date and maintained with adequate control;
- prepare accruals accounts, giving a true and fair view of the trust's use of resources, in accordance with existing accounting standards;
- ensuring proper security is maintained for all items e.g. buildings, furniture, equipment, cash, records etc under their control;
- receive monthly management accounts from the Chief Finance Officer;
- ensure segregation of duties is maintained;
- ensure that the "Dear Accounting Officer" letter is shared with Trustees, Chief Finance Officer and Senior Leadership Team.

Chief Finance Officer (Director of Finance and Physical Resources)

The Chief Finance Officer works in close collaboration with the Accounting Officer through whom he or she is responsible to the Trustees. The Chief Finance Officer also has direct access to and works closely with the FAC. The main responsibilities of the Chief Finance Officer include:

- be the member of the Trust Executive Leadership (ELT) with responsibility for the financial function in the trust, under the direction of the Accounting Officer;
- monitor, evaluate and review the work of the Finance Department within the trust ensuring segregation of duties, making recommendations to the Accounting Officer of the effectiveness of the function ensuring adequate fully trained staff are available to carry out necessary tasks;
- draft the annual trust budget plan for the Accounting Officer and approval by the FAC;
- ensure that the annual budget plan is linked to the Trust Excellence Plan;
- plan future budgets reflecting projected pupil numbers to allow the Trust to plan staffing requirements;
- to ensure the trust practice and procedures ensure compliance with the Funding Agreement, Company and Charity Law and the requirements of the ESFA through the Academies Handbook;
- to contribute relevant information to the Trust in order that the responsibilities of the Company Secretary can be discharged;
- ensure monthly management accounts and supporting documents are completed;
- ensure all quotes/tenders are obtained for goods, works and services per the Trust Financial Regulations;
- maintain a Fixed Asset Register;
- ensure all returns are submitted on time to the ESFA;
- liaise with audit/external companies during their internal audit work and annual audit function;
- ensure all financial policies and procedures are reviewed annually and amended accordingly.

All planning and site development matters for each academy will be assumed by the Headteacher and Senior Leadership Team but will be implemented by the Trust ad: Finance & Facilities working under the full supervision of the Chief Finance Officer, who has delegated authority. The Chief Finance Officer will undertake the preparation of out-line specifications for new premises, obtain tenders, planning permissions and liaise with the Trust's architects/surveyors. The Trust Strategic Lead: Finance & Facilities is also responsible for general repairs, refurbishment and upkeep and security of the building with the advice taken from external organisations and advice and support the day to day running from the Trust Facilities Health and Safety coordinator.

The Finance Team

The Finance Team works in close collaboration with the Chief Finance Officer. The main responsibilities of the Finance Team include:

- the day to day management of financial issues including the operation of the accounting system
- the management of the trust financial position at an operational level within the framework for financial control outlined by the Academies Handbook;
- 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 school;
- assisting with the preparation of monthly management accounts;
- authorising orders in conjunction with budget holders ensuring best value has been achieved with appropriate quotes/tenders if required
- process payroll into the finance system

- ensure all invoices are processed in a timely basis to ensure they can be paid promptly with any problems communicated directly with the supplier
- ensure all invoices are raised with customers promptly and money collected to aid cash flow.
- to determine banking arrangements including petty cash, monies to be banked and processed promptly, ESFA income and other grant income processed, and bank accounts reconciled;
- ensure segregation of duties within finance team.

Budget Holders

The role of the budget holder is to undertake the effective and efficient management of and to remain accountable for, the resources delegated to them. The main responsibilities of budget holders are:

- undertake the day to day monitoring and control of budgets delegated to them;
- ensure that any goods/services purchased from the delegated budget are done so in accordance with the school financial management procedures and are solely for the educational benefit of the students at the school.

Summary of Financial Authorisation Levels

Delegated Duty	Value	Delegated Authority	Method
Ordering Goods and Services (raising requisitions)	Up to £5,000	Budget Holder (Sage – Trust Procurement Officer)	Selection from supplier previously used or known for good service with consideration for best value.
	£5,001 to £20,000	As above plus Chief Finance Officer (Sage – Trust Procurement Officer & Trust Strategic Lead: Finance and Facilities)	Minimum of three quotes if possible; should item be specialist then consideration for best value required.
	Above £20,001	As above plus Finance & Audit Committee (FAC) (Sage – Chief Finance Officer & Trust Strategic Lead: Finance and Facilities)	Formal tendering process, including advertising in Government Procurement Website “Find My Tender” (if over the threshold)
	Authority to accept other than lowest quotation or tender and place order for	Accounting Officer if below £20,000 or if higher then Finance & Audit Committee	Written submission to Governor Panel of reason why quotes have

	goods that are unique and tender not possible		not been sourced and action taken.
Signatories for cheques, BACS payment authorisations and other bank transfers	In accordance with limits set with bank.	Two signatories from: - Headteacher/Head of School/Principal - Deputy Headteacher/Vice Principal - Assistant Headteacher/Assistant Principal	
Virement of budget provision between budget headers	Up to £20,000	Chief Finance Officer reporting to Accounting Officer	
	£20,001	As above plus reporting to the Finance & Audit Committee	
Disposal of assets	Up to £5,000	Finance & Audit Committee	
Write-off of bad debts	Items above 1% of income or £45,000 whichever is smaller	Approval by ESFA	
Purchase or sale of any freehold property	Any	ESFA approval required	
Granting or take up of any leasehold or tenancy agreement exceeding three years	Any	ESFA approval required	
Raising invoices to collect income	Any	Finance Officer	

Approval to be sought from Trust Finance & Audit Committee either formally at the next scheduled meeting or in an e-way if time is a factor for the procurement.

Please note the above regulations don't apply to external audit contract which is recommended not to be put to tender on an annual basis.

Internal Scrutiny

Internal Scrutiny (IS) should provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively. The IS should be different to the appointed External Auditor. The main duties of IS are to provide the Trust with independent assurance that:

- the financial responsibilities of as delegated by the Trust are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial and non-financial control are being maintained and financial considerations are fully taken into consideration in reaching decisions;
- ensuring all categories of risk are being adequately identified, reported and managed.

The IS will undertake regular reviews during the year to ensure that items identified on a risk-basis (see risk register) are evaluated. A report of the findings from each visit will be presented to the Finance & Audit Committee.

Other Staff

Trust Authorised Signatories – Certain members of the Senior Leadership Team are authorised signatures on the academy bank account with two being required to sign each transaction.

Other members of staff, including budget holders, will have some financial responsibilities and these are detailed in this manual. 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.

Register of Interests/Related Parties

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 all staff specifically with financial responsibility are required to declare on an annual basis any financial interests they have in companies or individuals from which the school may purchase goods or services. The register is open to public inspection. Declaration of business interests is a standing agenda item at Governors' meetings.

The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the academy. The disclosures should also include business interests of relatives 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 disclosure of related party transactions is standard accounting practice and must be disclosed in the Trust's financial statements.

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 Governing Body or a committee. Where an interest has been declared, Governors and staff should not attend that part of any committee or other meeting.

There may be circumstances where an agreement with an individual or Company is “best value” for an academy. If this is the case the annual cost of the contract which is over £2,500 must be “at cost” for the goods and services. All contracts must be reported to ESFA with prior approval obtained for those over £20,000.

3 Accounting System

Financial Accounting System

All the financial transactions of the school must be recorded on the Sage accounting system. The Sage system is operated by the Finance Team and consists of:

- Nominal Ledger inc Journals
- Cash Book
- Purchases Ledger
- Sales Ledger

System Access

Entry to the Sage system is password restricted. At no time should an individual disclose their password to anyone else. It is forbidden for more than one person to access the financial system using the same user name/password.

Access to the Sage system is restricted to the Finance Team and a member of the Sage support team.

Where it is suspected that unauthorised access to the system has taken place, the Chief Finance Officer shall be notified immediately.

Back-up Procedures

Sage is cloud based and therefore subject to Sage back-up procedures. The data is held securely in accordance with EU regulations.

The Chief Finance Officer will ensure financial loss is linked in with the annual assessment made by Trustees of the major risks to which the school 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, purchase ledger, bank and sales ledger are included in the following sections of the manual. Segregation of duties and authorisation checks must be considered with all transactions.

Reconciliations

The Strategic Lead: Finance and Facilities alongside the Finance Operations Manager is responsible for ensuring the following reconciliations are performed each month alongside the formal monthly financial control procedures (see Appendix 1), and that any reconciling or balancing amounts are cleared:

- sales ledger control account;
- purchase ledger control account;
- payroll control account;
- VAT claims
- all suspense accounts and
- bank balance per the cash book/nominal ledger to the bank statement.

Any unusual or long outstanding reconciling items must be brought to the attention of the Chief Finance Officer. The Accounting Officer will review the monthly management accounts.

The reconciliations and monthly financial control procedures will be completed 7 working days following the month end or as soon as possible depending upon holiday periods and final workings at year end.

4 Financial planning

The school prepares short, medium and long-term financial plans to secure its financial health.

The FAC must approve a balanced budget for each academy and the trust for the financial year to 31 August and may draw on reserves brought forward from previous years subject to the contents of the Reserves Policy. This budget must be submitted to the ESFA as part of the annual returns process.

A 5% charge is made to each academy for central costs. These include CEO, Chief Finance Officer and other Trust services salaries and contracts such as audit and legal. As services develop further charges will be made centrally with any efficiencies made given back to each individual organisation. It is intended that the charge will make an efficiency saving or at least be nil cost to each organisation.

The medium and long-term financial plans are prepared as part of the development planning process. The development plan indicates how the trust's educational and other objectives are going to be achieved within the expected level of resources over the following years.

The development 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.

Development Plan

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

The form and content of the development plan are matters for the school to decide but due regard should be given to the matters included within the guidance to Academies and any annual guidance issued by the ESFA. The Trust uses budgeting software for this purpose.

Each year the Headteacher of each Academy, with SLT, will propose a planning cycle which will be shared with their Local Governing Body and Trustees which allows for:

- a review of past activities, aims and objectives - "did we get it right?"
- definition or redefinition of aims and objectives – "are the aims still relevant?"
- development of the plan and associated budgets – "how do we go forward?"
- 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 feedback into the next planning cycle – "what worked successfully and how can we improve?"

Annual Budget

The Chief Finance Officer and Accounting Officer are responsible for preparing and obtaining approval for the annual budget. The budget must be approved by the Finance & Audit Committee and shared with Trustees.

The approved budget must be submitted to the ESFA by the specified deadline each year and the Chief Finance Officer is responsible for establishing a timetable which allows sufficient time for the approval process and ensures that 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 development plan objectives and the budgeted utilisation of resources.

The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of ESFA grant receivable;
- review of curriculum and staffing requirements including potential pay increases
- review of other income sources available to the trust to assess likely level of receipts;
- review of past performance against budgets to promote an understanding of the trust cost base;
- identification of potential efficiency savings and review of the main expenditure headings in light of the development 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 contingency or alternatively allocated to areas of need (see Reserves Policy). Each academy must set a balanced budget.

Finalising the Budget

Once the different options and scenarios have been considered, a draft budget should be prepared by the Chief Finance Officer for approval by the FAC. The budget should be communicated to all staff with responsibility for budget headings so that everyone is aware of the overall budgetary constraints.

The budget should be seen as a working document which may need revising throughout the year as circumstances change.

Monitoring and Review

It is essential to closely monitor the budget because:

- a. The trust may realise extra funding during the year leading to a larger surplus than expected, in which case the trust may wish to meet some requests for additional funding that had previously been put on hold subject to approval;
- b. Unexpected expenditure may occur, e.g. building works in the summer may overrun budget, or additional members of staff may be required;
- c. There may be a shortfall in expected income, such as lettings or bank interest.

- d. The number of pupils arriving in September may be more or less than estimates from the October Census return or predicted enrolment numbers.
- e. Initial assumptions in preparing the annual budget could be wrong.

Monthly reports will be prepared by the Chief Finance Officer and the Trust Strategic Lead: Finance & Facilities. The reports will detail actual income and expenditure against budget at a summary level for the Accounting Officer and the FAC. Variances against budgets will be discussed. Budget holders will be provided with detailed reporting relating to their budget.

Any potential overspend against the overall budget must in the first instance be discussed with the Accounting Officer and plans discussed to mitigate against the overspend.

Budget monitoring returns will take into account accruals and prepayments. Only accruals >£500 will be included. At the year end budget holders may request that any remaining budget may be carry forward to the next financial year. This is only approved if a spending plan is in place and approved by the headteacher. The finance team will review this request against the finalised balance and an adjustment put in place.

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 contingency. Virements above £20,000 must be authorised by the FAC.

4 Payroll

The main elements of the payroll system are:

- staff appointments;
- payroll administration and
- payments.

Staff Appointments

The Trust has approved a personnel establishment for the school. Changes can only be made to this establishment with the express approval in the first instance of the Accounting Officer who must ensure that adequate budgetary provision exists for any establishment changes.

The Headteacher has authority to appoint staff within the authorised establishment except for Headteacher and Deputy Headteachers whose appointments must follow formal consultation with the Trustees. The Director of Corporate Services and the HR team maintains personnel files for all members of staff which include contracts of employment.

Payroll Administration

The trusts payroll is administered by Trust Corporate Services Team. This Corporate Service Team are responsible for updating the information on the HR software in a timely manner. The Director of Corporate Services is also responsible for informing the Chief Finance Officer of any changes to the payroll authorised by the Headteacher.

All staff are paid monthly through CIPHR Payroll Package. A master file is created for each employee which records:

- salary;
- bank account details;
- taxation status;
- personal details and
- any deductions or allowances payable.

Details of all payments made are passed to the Finance Operations Manager and Trust Strategic Lead: Finance and Facilities if Operations Manager is absent for recording on Sage. This document should be signed each month by the Accounting Officer to authorise the payment.

The HR Team are responsible for ensuring that all pay and other pay related matters are correctly determined prior to payments being authorised and that any errors are corrected as soon as is practically possible.

Payments

After the payroll has been processed but before payments are dispatched a document of salary payments by individual and showing the amount payable in total will be reviewed and authorised together with authority to release payment.

All payments for work done by employees should be made via payroll system including overtime payments and travel expenses which should attract relevant HMRC deductions. All salary payments are made by BACS.

The Trust Strategic Lead: Finance and Facilities should prepare a reconciliation between the current month, the contract of employment record and the budget. Any discrepancies are investigated and dealt with promptly. This reconciliation should be carried out promptly and identified discrepancies reported to the Chief Finance Officer.

The payroll system operated by Inspire Trust automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions, but this list is not exhaustive. The amounts payable is summarised on the gross to net pay and these amounts should be checked by the Finance Operations Manager.

The Finance Operations Manager checks pay details for each employee monthly (including gross pay, superannuation and national insurance). The Finance Operations Manager should also have an overview of all payments to ensure that any anomalies are corrected at the earliest opportunity.

After the payroll has been processed the nominal ledger will be updated. Postings will be made both to the payroll control account and to individual cost centres by the Trust Strategic lead: Finance and Facilities. The Finance Operations Manager should review the payroll control account each month to ensure the correct amount has been posted from the payroll system, and individual cost centres have been correctly updated.

Special staff severance payments are paid to employees outside of normal statutory or contractual requirements when leaving employment. The trust ensures that these payments can be justified and within current approved guidelines.

Compensation payments are only made following careful appraisal of all the facts, including legal advice, ensuring that value for money will be achieved.

Severance and compensation payments can be awarded by the trust provided any non-statutory/non-contractual element is under £50,000. For payments more than this value approval must be sought from Secretary of State via Education and Skills Funding Agency (ESFA).

5 Purchasing

The trust will attempt to achieve best value for money from all purchases. This means sourcing what is needed in the correct quality, quantity and time, at the best price possible. A large proportion of purchases will be paid for with public funds and there is a 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 trust;
- **Accountability**, the trust is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness**, that all those dealt with by the trust are dealt with on a fair and equitable basis.

The Chief Finance Officer will work closely with the Trust Procurement Officer to support the development of cross-trust buying power.

Routine Purchasing

Budget holders will be informed of the budget available to them as early as possible subject to Trust approval. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. The Trust Strategic Lead Finance & Facilities will ensure that budget holders have the appropriate information made available to them on a monthly basis in order to ensure that they can proactively monitor and manage their budget.

Routine purchases up to £5,000 can be ordered by budget holders up to the limit of their budget from a reputable supplier. They have a general duty to test the market and obtain the most cost-effective deal for the academy. Any new suppliers are subject to a check by the Trust Procurement Officer with a new supplier form needing completion.

All orders must be made via the finance office or emailing accounts@inspiretrust.uk on the purchase requisition form, and input to Sage. All orders are authorised by Trust Procurement Officer with a budget allocation check and best value check taking place at the same time. If the purchase has an SLA or contract agreement sitting alongside it the Trust Procurement Officer will seek approval and signature from the CEO who should sign all such agreements. The Trust Procurement Officer will review all agreements to ensure that there are no clauses which will prove difficult for the Trust e.g. service, cost increase, cancellation, length of agreement etc. Any purchases for IT software will be shared with the IT to ensure they will be technically compliant. Any purchases which may share personal data will be passed to the

GDPR team for approval. Any purchases with payment made to an individual will be subject to IR35 checks by HR.

Authorised orders are dispatched electronically to the supplier by the Finance Assistant if possible or via post. In a small number of occasions orders are made via the telephone.

The budget holder must make appropriate arrangements for storage or distribution of goods in a timely manner. Items should be checked against the official order as soon as possible with any discrepancies reported to the Finance Assistant. The Finance Assistant should contact the supplier immediately so that the issue can be rectified.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the Finance Assistant should be notified who will arrange for the goods to be returned.

All invoices should be sent to the Finance Officer. Invoice receipt will be recorded in Sage. The Finance Officer will stamp invoices with a grid which holds a number of details regarding the invoice.

If a budget holder or Finance Assistant are pursuing a query with a supplier the Finance Officer must be informed of the query and periodically kept up to date with progress. Transactions are marked on Sage so that invoices can be found if in dispute or on hold.

When the Budget Holder has signed the invoice showing approval for payment it should be sent to the Finance Officer. At the end of every week the Finance Officer & Trust Sales officer will produce a list of outstanding invoices from the purchase ledger; this ensure that all invoices are signed in a timely manner and payments can be made to suppliers. The Finance Officer will contact budget holders to locate any outstanding invoices. Due to the Covid-19 pandemic and staff working from home and recent IT "Blackout" at TRC it hasn't always been possible to have invoices signed however routinely delivery of goods was checked with the site team or via a telephone call with the budget holder which allowed the invoice to be processed for payment.

The Finance Operations Manager will input details of payments to be made to the purchase ledger and generate the BACS payment run required. The BACS report and associated paperwork must be authorised by two of the nominated cheque signatories. During holiday periods or staff absence the Trust Strategic Lead: Finance and Facilities may process one-off/urgent payments.

BACS remittances will be dispatched to suppliers by the Finance Operations Manager. The BACS number and date of payment are then recorded on the invoice.

Orders must only be used for goods and services provided to Inspire Trust (Oakwood High School, Sitwell Junior School and Thomas Rotherham College). Individuals must not use official orders to obtain goods and services for their private use.

Supplier statements are reconciled upon receipt. If there are any invoices not received from the supplier copies are sought and checked on Sage for previous input. Supplier statements are then disposed.

Orders over £5,000 but less than £20,000

At least three written quotations should be obtained for all orders between £5,000 and £20,000 to identify the best source of the goods/services unless for a specialist item which has limited suppliers. Written details of quotations obtained should be prepared and submitted with the order to the Chief Finance Officer for authorisation. These should then be retained by the Trust Procurement Officer for audit purposes. Telephone quotes are acceptable if these are evidenced and emailed confirmation of quotes has been received before a purchase decision is made. Screen prints from website which identifies the goods and clearly show a price, including delivery charge, are also acceptable. Procurement websites such as CPC and DfE buying for schools can be used to seek best value.

Orders over £20,000

All goods/services ordered with a value over £20,000 or for a series of contracts which in total exceed £20,000 must be subject to formal tendering procedures. Purchases over £213,477 (threshold from 01/01/22) may fall under EU procurement rules which requires advertising in the Find My Tender portal.

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 Accounting Officer / Headteacher must discuss and agree with the Chief Finance Officer 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 suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - there is a need to maintain a balance between the contract value and administrative costs,
 - a large number of suppliers would come forward or because the nature of the goods is such that only specific suppliers can be expected to supply the school's requirements,
 - 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:
 - the above methods have resulted in either no or unacceptable tenders,
 - only one or very few suppliers are available,
 - extreme urgency exists,
 - additional deliveries by the existing supplier are justified.

Preparation for Tender

Full consideration should be given to:

- objective of project

- overall requirements
- technical skills required
- after sales service requirements
- form of contract.

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:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project;
- terms and conditions of tender and
- form of response.

Aspects to Consider

Financial

- 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.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation?

Technical/Suitability

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

Other Considerations

- Pre sales demonstrations
- After sales service
- 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 school. 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.

A separate record should be established to record the names of the firms submitting tenders and the amount tendered.

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 £20,000 a report should be prepared for the Finance & Audit Committee highlighting the relevant issues and recommending a decision. For contracts under £20,000 the decision and criteria should be reported to the Chief Finance Officer. It is normal practice within the school that contracts that will have a significant material impact on the school regardless of whether they are over the appropriate thresholds are discussed at Finance & Audit Committee and approval is gained before work is undertaken.

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

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

Suspension of Finance Regulations

Should a purchase be made which is of a unique nature where quotes and/or tenders cannot be sought a written submission to the Accounting Officer giving reasons why quotes have not been sourced and any subsequent action taken for approval.

Procedures when using credit card for payment.

The Finance & Audit Committee is responsible for ensuring that there are adequate controls in place for the use of credit cards. These should be reviewed regularly.

The card will be in the name of each academy but have a named member of staff authorised to use the card.

The card will be kept in a locked in the cash tin at all times and not taken home at any time.

The card will only be used by members of the Finance Team and not given out to members of staff for their own use. The use of which is limited for specific purchases which cannot be made via purchase order to a supplier.

Purchases made using the card will relate to official funds for Trust activities only and all goods and services must be supplied to the Trust. The delivery address will always be the Trust and not home addresses.

The card has a facility of £10,000 which has been set in accordance with current standing order values. The total monthly spend will not be above this amount. The maximum single transaction limit is also £10,000. Best value procedures will be adhered to in all transactions.

Prior to purchases being made the correct authorisation for purchase will be obtained from the budget holder.

Cash will NOT be withdrawn using the card.

Receipts will be attached to the statements to show a clear audit trail. VAT rules still apply to purchases made using the card; therefore, VAT receipts must be requested.

In accordance with the Trust financial regulations there will be a clear segregation of duties between the requisitioning / ordering and the reconciliation of the monthly statement and settlement payments made to the card issuer. An email will be received from Bankline so the statement can be accessed.

The full balance will be paid off by the due date by Direct Debit after all payment transactions listed have been checked (by a person other than the nominated card holder) and the statement has been reconciled. This will ensure no interest will be paid on the transactions.

Payments to the card issuing company will be made via direct debit. Any supplier refunds will be checked to ensure that they are re-credited to the card account correctly.

In the event of the card being lost, stolen or compromised the card issuer must be contacted immediately by the Chief Finance Officer.

Purchases over the internet will only be used where the goods or services cannot be effectively or economically obtained via traditional methods, and the trust considers that best value is being achieved. The cost of P&P and any returns needs to be taken into account.

If purchasing goods or services using the internet, the trust will only purchase from secure sites (those displaying “https” at the start and displaying a padlock symbol)

When ordering goods and services it will be made clear that these are being ordered on behalf of the trust. When orders are placed with the supplier an order confirmation will usually be displayed or an e-mail received together with the method of payment. This will be printed off and kept with the authorisation to purchase (along with all transaction documentation and associated e-mails).

The trust will use the same procedures on receipt and payment of goods and services from the internet as per traditional methods e.g. authorisation from budget holders.

The trust will also consider the risks when using the internet to look at their card balances etc, and ensure that the account is password protected. Only Chief Finance Officer and Finance Operations Manager will have access to the password. Some smaller traders may use third

party payment agents (e.g. PayPal) who are unable to issue VAT receipts or invoices. The trust will ensure that a valid invoice / receipt will be obtained from the supplier direct.

The trust will not click on links to on-line shops in e-mails, as they may link to fraudulent sites, and addresses should be typed manually.

Leasing

Finance Leasing, agreements on land and buildings of more than 5 years and granting lease or tenancy agreement must have written approval from the Secretary of State. Other finance lease arrangements are not allowed.

Operating Leases are allowed but best value, professional advice should be sought and financial regulations adhered to prior to signing of the lease.

7. Income

The main sources of income for the school are the grants from the ESFA. The receipt of these sums is monitored directly by the Finance Operations Manager/Trust Strategic Lead: Finance & Facilities who is responsible for ensuring that all grants due to the trust are collected.

The trust also obtains income from:

- pupils, mainly for trips and lunches, sale of small items by Learning Zones, bank interest
- the public, mainly for sports lettings and use of accommodation.
- sports centre and catering facility

A lead teacher must be appointed for each trip to take responsibility for the school visits. All monies received and amounts due will be kept in appropriate records. A copy of the record must be given to the lead teacher if requested.

Payments should be made via ParentPay or by pupils making payments direct to school. A record of payments made is retained against the pupil making the payment. All these payments are made to the Finance Office to record in the accounts and then bank the monies received. An up to date record of payment received can be seen on ParentPay.

Payments for school lunch can be made to the Finance Office of Oakwood High School and Sitwell Junior School. A record of the lunches paid for is kept electronically on the school's meals system. All monies are checked and then paid in to the bank.

Bank interest is credited to the Trust's bank account on a monthly basis and every six months for the high interest account.

A number of Learning Zones/Faculties within the Trust generate income from the sale of materials. Money collected is passed to the Finance Office. The income is recorded in the accounting system and paid into the delegated budget.

Lettings

The Finance Officer is responsible for maintaining records of bookings of sports facilities and other accommodation and will liaise with the Site Manger/Sports Centre Manager and his team. Invoices will be raised on a monthly basis for the monies owed. Invoices should be paid

one month in arrears. The majority of income is to be collected direct via iZettle card payment link or school hire online payment system (to be in place 22-23).

The Finance Officer will establish a sales ledger account and produce a sales invoice from the Sage accounting system. Details of payments made and outstanding accounts will be checked regularly and the Finance Officer is responsible for chasing outstanding debts and ensuring no use is made of the facilities unless payment has been made.

No debts should be written off without the express approval of the Chief Finance Officer/Accounting Officer or Governing Body depending upon the value (the DfE's prior approval is also required if debts to be written off are above the value set out in the Academies Handbook).

Organisations using the facilities of the school can send payments by direct to the Trust bank account or to the Finance Office if paying by cheque.

Custody

All income should be recorded in the Sage system on receipt. All cash and cheques must be kept in the safe prior to banking. Banking should take place every week (unless during school holiday) or more frequently if the sums collected exceed the insurance limit on the safe.

Monies collected must be banked in their entirety in the appropriate bank account. The Finance Operations Manager is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations are prepared at the beginning of each month.

Income collected should not be used for the encashment of personal cheques or for other payments.

Invoices raised through Sage, which records and monitors income due and is responsible for debt recovery. Debts are only written off in accordance with the Financial Regulations and a record is maintained of all sums written off.

The Trust has established a charging and remissions policy and this will be reviewed every year. The Chief Finance Officer is responsible to the Trust for accounting for all income due and cash collected, and accurate records are needed for this.

PRIVATE FUNDS

"The governing body as custodian and controller of voluntary funds should set up robust systems and procedures. It is important that the administration and control of School's voluntary funds are as rigorous as those for the administration of the schools delegated budget"

Separate accounting from school budget

The Finance Operations Manager ensures that voluntary funds are accounted for separately from Trust's delegated budget and are held in a separate bank account.

Finance Officer appointed to oversee the fund

The Trust has appointed the Finance Operations Manager to oversee the funds. The Chief Finance Officer will periodically review the voluntary fund records to ensure that all transactions are valid and procedures are being administered correctly.

External auditor appointed

The Trust has appointed an Auditor, who is independent of the school.

The auditors should ensure that:

- The balances held at the bank and in cash can be reconciled and verified to both the school fund records and to the bank statements, cash should be physically verified.
- All income and expenditure is receipted accordingly which can be made available the auditors should satisfy themselves that there is a valid and reasonable explanation.
- The income and expenditure have been posted to the correct head of account.

Same accounting standards as for school budget

The Finance Officer ensures that the same standards of financial accounting which apply to income and expenditure for the Trust's delegated budget are applied to the voluntary funds.

Use for voluntary funds only

Any income, which properly relates to the delegated budget, should not be credited to the voluntary fund. Only income unconnected with the delegated budget should be credited to the voluntary funds. Lettings income, for instance, should always be paid into the delegated budget as it relates to school assets.

At least monthly banking

Any voluntary fund income will be paid into the voluntary fund bank account at least once a month.

Regular reconciliations with bank statements

The Finance Officer ensures that regular reconciliations between the accounting records and bank statements are undertaken and independently reviewed. This process is undertaken by the Finance Officer each month and reviewed by the Finance Operations Manager.

Examples of the main sources of income into the Trust Private Fund's bank account are as follows:

- Bank Interest
- School trips
- Donations
- Fund Raising
- Sponsorship

Bank Interest

Interest is credited on a monthly.

Donations

The School occasionally receives donations from organisations, such as the Parent Teachers Association.

8. Cash Management

Bank Accounts

The opening of all accounts must be authorised by the Trust Board who must set out, in a formal memorandum, the arrangements covering the operation of 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.

Deposits

Particulars of any deposit must be entered on a copy paying-in slip, counterfoil or listed in a supporting book. The details should include:

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

Payments and withdrawals

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

- CEO
- Headteacher;
- Deputy Headteacher;
- Assistant Headteachers.

This provision applies to all accounts, public or private, operated by or on behalf of the Trust. Wherever possible, there should be a different signatory to payments than that of the authoriser of the purchase.

All cheques should be crossed 'account payee only' to avoid the possibility of improper negotiation of the cheques.

Cheques should never be pre-signed.

Administration

The Finance Operations Manager must ensure bank statements are received regularly 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 cash book;
- reconciliations are prepared by the Finance Officer on a monthly basis. This ensures that discrepancies between the bank and Sage are investigated in a timely manner, and fraud can be uncovered;
- reconciliations are subject to an independent monthly review carried out by the Finance Officer;
- adjustments arising are dealt with promptly;

- overdrafts are not allowed
- The Trust should not enter into any loan agreements, without the prior approval of the Secretary of State for Education.

Petty Cash Accounts

Petty cash is useful for making small purchases with a minimum of fuss but use of petty cash is discouraged. Since, however, cash is portable and desirable it is important that proper controls are in place to prevent its abuse or loss. These standards contain petty cash controls covering authorisation, documentation and secure storage of cash.

The trust holds a petty cash account. The agreed level of petty cash is £700 (Thomas Rotherham College only). Monies for reimbursement for staff and other small items of expense up to a value of £30 are paid via this account. There may be certain circumstances whereby amounts greater than £30 are paid via petty cash; the CFO authorises those payments.

Petty cash is held in a lockable cash tin in the Finance office and held in the safe overnight.

Items requiring reimbursement must have accompanying receipt with VAT details if appropriate, in order for the claim to be made. Personal cheques are not cashed from the petty cash fund.

Items will require signed authorisation before reimbursement can be made.

Cash Monitoring.

The Chief Finance Office is responsible for monitoring cash balances across the trust to ensure that the school has sufficient funds available to pay for day to day operations. These cashflows monitor the level of cash held within the trust rather than formal report due to the level of reserves held. Should this level reduce a formal procedure and report will be extended and shared with the Accounting Officer. Plans should be made immediately following the discovery of potential cash shortages. Where cash flow predicts a lack of available funds to service commitments, this should be notified to the Accounting Officer and reported to the next meeting of the Finance & Audit Committee. The cash flow is monitored in line with Trust Reserves Policy commitments.

Investments

Investments must be made only in accordance with written procedures approved by the FAC and the ESFA.

VAT

The Strategic Lead: Finance and Facilities and Chief Finance Officer are responsible for ensuring that the Trust complies with VAT and other tax regulations. The Trust seeks advice from the Trust's auditors regarding VAT matters.

Relevant staff aware of tax regulations

The CFO ensures that all relevant finance and administrative staff are aware of Value Added Tax (VAT), and Income Tax.

Payments only on VAT Invoices

A proper VAT invoice is the only basis on which VAT can be reclaimed. It contains the following elements:

- The supplier's name, address and VAT registration number
- The date goods/services were supplied
- The name and address of the supplier.
- The goods or services supplied
- Amount payable excluding VAT
- Amount of VAT
- VAT rate

If the total invoice cost, inclusive of VAT, is less than £100, less detail is required.

Procedures for VAT on business activities etc

The trust follows the procedures to calculate VAT on business activities, School trips and other taxable activities should be accounted for, both within the delegated budget and in voluntary funds. The procedures followed are calculated on a monthly basis to ensure the trust is below the threshold for VAT registration.

VAT Claim

Vat claims are made via a Section 126 report direct to the HMRC on a monthly basis. A monthly analysis is completed to ensure that the Trust does not meet the VAT registration threshold (£85,000).

Internal Controls

The Trust has many systems for processing and recording financial transactions. These extend from petty cash to purchasing, through payroll and contracting services to income collection systems. By building internal financial controls into systems, the trust should be confident that transactions will be properly processed and that any errors or fraud will be detected quickly. Should any instances of fraud be uncovered above £5,000 they must be reported to the ESFA.

Examples of internal controls are:

- Internal checks - one person checking another person's work
- Separation of duties - distributing the work so that key tasks are assigned to separate members of staff
- Systems manuals - clear, readable descriptions of how systems work and who does what
- A system of authorisations - each transaction is authorised before passing on to the next stage of the process
- A clear audit trail covering all stages of a transaction, for example from copy order to invoice, to accounts, payment processing, and in reverse.

Written Descriptions of Financial Systems

The trust uses Sage for the day to day running of finance. The HELP option of Sage provides a comprehensive operating manual.

Financial Control When Staff Are Absent

The Chief Finance Officer ensures that financial control is maintained in the absence of key personnel through staff training or by arranging job shadowing.

Separation of Duties

The Chief Finance Officer ensures that duties related to financial administration are distributed so that at least two people are involved. The work of one should act as a check on the work of the other and all checks such as bank and petty cash reconciliation are documented.

Maintaining Proper Accounting Records

The School aims to maintain proper accounting records and retains all documents relating to financial transactions for at least six years in accordance with the Trust Records Management Policy.

Traceability of Transactions

All financial transactions are traceable from original documentation to accounting records and vice versa. As per guidelines payment records should be kept for the duration of six years.

Rules of Document Alteration

Any alterations to original documents such as cheques, invoices and orders will be clearly made in ink or other permanent form initialled. 'Copy Invoices' will be marked 'Copy Invoice, Not Previously Passed for Payment'.

Security of Accounting Records

All accounting records will be securely retained when not in use and only authorised staff will be permitted access.

9. Fixed assets

Asset Register

All items purchased with a value over the school's capitalisation limit must be entered in an asset register. The capitalisation limit has been set at £5000. The asset register should include the following information:

- asset description
- date of acquisition
- asset cost
- depreciation
- disposals (if any have been made)
- donations
- current book value

The Asset Register helps:

- ensure that staff take responsibility for the safe custody of assets;
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse;
- to manage the effective utilisation of assets and to plan for their replacement;

- help the external auditors to draw conclusions on the annual accounts and the school's financial system and
- support insurance claims in the event of fire, theft, vandalism or other disasters.

Security of IT assets

All the items in the IT register should be permanently and visibly marked as the school's property.

Approval must be sought from the ESFA for transactions relating to land or buildings.

Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Accounting Officer and, where significant, authorised by the FAC and sold following competitive tender. The school must seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

Disposal of equipment to staff is at the discretion of the Accounting Officer and must have written approval. Please see appendix 2 below for non-electrical item procedure.

The trust is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other school assets. If the sale proceeds are not reinvested, then the school must repay to the DfE a proportion of the sale proceeds.

All disposals of land must be agreed in advance with the Secretary of State and Trust Board.

Loan of Assets

Items of school property must not be removed from academy premises without the prior approval of the Accounting Officer. This does not apply to macbooks laptops and iPads which are used in the academy and taken home on a daily basis.

If assets are on loan for extended periods or to a single member of staff on a regular basis the 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.

Insurance

Inspire Trust is protected against risk following tender procedure for Insurance Cover with the support of AJG. Such risks may include third party liability, property, money; personal accident and fidelity guarantee insurance (to cover the loss of assets due to fraud or dishonesty on the part of employees).

Annual review of risks

The trust working alongside the broker undertakes a review of insurance levels annually, to ensure that the sums insured are commensurate with the risks.

Notification procedures for new risks/changes

The trust will notify its insurers of all new risks, property, equipment and vehicles, which require insurance, or of any other alteration affecting existing insurance.

No indemnity to third parties without authorisation

The trust will not give any indemnity to a third party without the written consent of its insurers.

Notification of insurance losses and claims

The trust should immediately inform its insurers providing the necessary documentation of all accidents, losses and other incidents, which may give rise to an insurance claim.

APPENDIX 1

Monthly Financial Control Procedures (Example)

	Who?	Feb	Mar	Apr	May
Bank reconciliation & review of O/S items					
Review accounts receivable control					
Review creditor control					
Trial balance check					
Payroll control reconciliation					
VAT control reconciliation					
ABM control reconciliation					
Review procurement card transactions					
Detail/approve any budgetary virement					
Internal journals					

Month end procedures

<u>VAT</u>	Feb	Mar	Apr	May
Preview 126 Report				
Finalise 126 report with Submittal				
Run Exceptions report				
Submit VAT claim to HMRC				

<u>Cashflow</u>				
Review and update cashflow reporting				

<u>Budget report</u>				
Check Accuracy of payroll vs budget				
Review FA register				
Review prepayment schedule				
Pupil premium report				
ICT report				
Repairs report				
Present management accounts to AO/FAC				

<u>SAGE</u>				
Close period on Sage				

Appendix 2

Disposal Policy (non-ICT items)

The following are the procedures that must be followed when disposing of property that belongs to the Trust following refurbishment of an area within the building.

- Item identified as not being required by the academy, or is to be replaced.
- If item is still working i.e. electrical item but not required by the academy, then item can be offered to staff for purchase subject to approval by the Accounting Officer.
- Item displayed on staff noticeboard or sent via email by the Chief Finance Officer for at least a week if possible giving details of the item, value, and who to respond regards purchase.
- Chief Finance Officer to collate responses in order of receipt.
- Chief Finance Officer to inform Headteacher of all responses who will approve sale of the item.
- Letter written to approve sale
- Payment to be given to Chief Finance Officer Resources who will issue receipt
- Item written off asset register/inventory.
- Item deleted from PAT testing register if electrical.
- Items above £5,000 must have approval from the FAC to be approved.

Electrical items that are not purchased but still need to be disposed of must adhere to the WEE regulations. Contractors employed by school for this purpose must give written confirmation of the items that are been taken off-site and countersigned by a staff member prior to the items being taken.

Disposal Policy (ICT items)

1. Items are identified as beyond economical repair, (they are broken, damaged or vandalised and unable to be repaired or the cost to repair is similar to replacement or outweighs the benefit/usability). Items may also be identified as surplus to requirements or may have been stolen. In the case of stolen items these must have been reported to police and a claim made on the Schools' Insurance policy.
2. Items identified above are to be first marked as disposed on the inventory. These items can then be moved to the secure external container to await collection. When marking the item as for disposal ICT staff should take note of the asset id or the PAT test number to ensure the item is written off from the PAT database and the audit.
3. A report is generated from the inventory of all items that are to be written off as identified in section 1. This report is to be signed by the ICT Service Manager and counter signed by the Chief Finance Officer and either Accounting Officer or Chair of Trust as appropriate.
4. Once approval has been given for the items to be disposed the collection company can attend to remove items that are BER or surplus to requirements. The removal company will supply a full list of what items taken to include Asset number, PAT test number, serial number and brief description with WEE certification.
5. The ICT service manager will keep the signed copy of the approval for writing off equipment with the report sent from the collection company and the WEEE certificate. The ICT systems manager will reconcile the inventory list to the WEEE collections list.