



INSPIRE EDUCATION TRUST

FINANCE POLICY

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Introduction

The purpose of this policy is to ensure that the Academies within Inspire Education Trust maintains and develops robust systems of financial control, which conform to the requirements of both propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our Funding Agreements with the Department for Education.

Academy Trusts must comply with the Academies Financial handbook as a condition of their funding agreement. It provides an overarching framework for implementation of effective financial management and control.

1. Organisation

The Board of Trustees and Local Governing Bodies

The Trustees and Governors will manage their affairs in accordance with the high standards as detailed in the “Guidance on Codes of Practice for Board Members of Public Bodies” and in line with the Nolan principles (seven principles of public life):

Selflessness

Holders of public office should take decisions solely in terms of the public interest.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merits.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and

to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of Public Office should exhibit these principles on their own behavior. They should actively promote and robustly support the principles and be willing to challenge poor behavior whenever it occurs.

1.1 Managing the Academy Finances

The Board of Trustees has overall responsibility for administration of the Multi Academy Trust's finances. The main responsibilities of the Board of Trustees are prescribed in the Funding Agreement between our Academies and the DfE. The main responsibilities include:

- Ensure the grant from the DfE is used for the purposes intended;
- Approval of the annual budget;
- Ensure a Scheme of Delegation is in place;
- Ensure assets are managed;
- Ensure accurate accounting records are maintained;
- Ensure the budget monitoring statements are a true and accurate record on income and expenditure.

1.2 The Finance Committee

The main responsibilities of the Finance committee include:

- Initial review and authorisation in principle of the annual budget;
- Regular monitoring of actual expenditure and income against budget;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies;
- Authorising the award of contracts up to the amount as stated in the scheme of delegation appendix 1.
- Reviewing the reports of the Responsible Officer / Internal Auditor role on the effectiveness of the financial procedures and controls. These reports must be reported to the Finance and Audit Committee.
- To review the financial policies of the Trust and where necessary make recommendations.

1.3 The Chief Executive Officer

The Chief Executive Officer has overall executive responsibility for the Academies within Inspire Education Trust and is the named Accounting Officer for the Trust.. The Chief Executive Officer retains responsibilities for:

- Approving new staff appointments within the authorised establishment;
- Authorising contracts up to the amount stated in the scheme of delegation (Appendix 1) in conjunction with the Head of Operations and Head of Finance and reporting these decisions to the Finance and Audit Committee

Upon appointment to the Trust, the Board of Trustees identified the Chief Executive Officer as the Accounting Officer who is personally responsible to the Board for:

- Ensuring regularity and propriety;
- Prudent and economic administration ;
- Avoidance of waste and extravagance;
- Efficient and effective use of available resources; and
- The day to day Organisation, staffing and management of the Academy.

The Accounting Officer has the duty to take action if the Board of Trustees or Chair is contemplating a course of action, which he or she considers an infringement of propriety or regularity. Objections should be put in writing to the Board of Trustees details sent to the Permanent Secretary of State and the Trust's external auditors.

The Accounting Officer may delegate, or appoint others to assist in these responsibilities.

1.4 The Head of Finance

The Head of Finance works in close collaboration with the Chief Executive Officer

The main responsibilities of the Head of Finance are:-

- The management of Trust's financial position;
- 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 each of the Academies within the Trust;
- Preparation of monthly management accounts;
- Ensuring forms and returns are sent to the DfE in line with their reporting deadlines.
- Authorising BACs as detailed in the scheme of delegation / in accordance with the Bank Mandates.
- Liaison with payroll, overseeing preparation of staff claims and reconciliation of payroll data from the Academies' payroll service provider.
- Management of the Academies' Service Level Agreements.
- Authorising orders and the award of contracts up to the amount stated in the Scheme of Delegation (Appendix 1) □ Charge Card Holder □ On-Line Banking & BACS Authorisation.

1.5 The main responsibilities of School Office Managers

The Office Managers and Financial Staff work in close collaboration with and are directly responsible (for the financial Administration work) to the Head of Finance and Executive Assistant.

- The day to day management of financial issues and financial transactions
- Adhering to financial guidance issued by the Head of Finance and accounts direction from the Accounting Officer;
- Ensuring that the school accounts are administratively financially robust, being complete, up to date and accurate;
- Ensuring financial process and procedures are being followed/ adhered to;
- Cash collection and weekly banking ;

- Driving the academy to a cashless position in as far as possible
- Adherence to VFM principals.
- Order and invoice processing
- Timely Bank reconciliations in line with Trust guidance and internal controls

1.6 Internal Audit

Inspire Education Trust will engage an external auditor to carry out a programme of risk review and checking of financial controls and, systems within the annual financial cycle. Internal auditors will report directly to the Finance and Audit Committee looking to ensure that:

- The financial responsibilities of the Board of Trustees are being properly discharged;
- Resources are being managed in an efficient; economic and effective manner;
- Sound systems of internal financial control are being maintained; and
- Financial considerations are fully taken into account in reaching decisions.

A programme of checks will be agreed with the Chair of Finance and Audit Committee on behalf of the Board of Trustees and the Auditors will carry out financial reviews in order to provide assurance to the Board of Trustees and indirectly the Department for Education.

The auditors will undertake the checks and balances in line with the recommendations the Academies Financial Handbook.

1.7 Other Staff

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

1.7 Register of Interests

It is vital that Trustees and staff act, and are seen to act, impartially. All members of the Board of Trustees are therefore required to complete a declaration of business interests. The Head teacher, other senior staff and all office staff are also required to complete a declaration annually and must update this mid- year if their circumstances alter from their initial declaration.

Declarations should include all business and pecuniary (monetary) interests such as directorships, shareholdings and other appointments of influence within a business or other Organisation. They should also include interests of related persons such as a parent, spouse, child, cohabite and business partner where that person could exert influence over a Trustee, governor or member of staff.

Academies must pay no more than 'cost' for goods or services provided to it by persons with an interest in the MAT, ('services' do not include services provided under a contract of employment).

The existence of a register of business interests does not of course detract from the duties of the Trustees and staff to declare interests whenever they are relevant to matters being discussed by the Governors or a Committee. Where an interest has been declared, Trustees, Governors and staff should not attend that part of the meeting. It is the role of the Business Team and Clerk to the Board of Directors to ensure the Register of Business Interests are up to date

2. Financial Planning

The Head of Finance and Business Administration Team will prepare both medium and short-term financial plans for the Trust and each Academy within it. These plans are prepared to inform the Trust's strategic development planning processes for the next 3 years. The Annual budget is a detailed statement of the expected resources available to the Academy and the planned use of those resources during the year

Annual Budget

The Head of Finance is responsible for the preparing and obtaining approval for the annual budget. The Finance Committee must approve in principle and then the Full Board of Trustees must ratify the approved budget.

The approved budget must be submitted to the DfE each year by the deadline set by DfE and the Head of Finance is responsible for establishing a timetable, which allows sufficient time for the approval process and to ensure that the submission date is met.

The annual budget will reflect the best use of resources available to each academy for the forthcoming year and will detail how those resources will be utilised.

- The budget planning process will incorporate the following elements:-
- Forecasts of likely pupil numbers to estimate the amount of DfE grant receivable;
- Review of other income sources;
- Historical review of past performance against budgets;
- Identification of efficiency and budget containment actions;
- Annual review of expenditure headings to reflect known changes.
- Updated staffing costs including potential salary uplifts to take into account annual performance management outcomes.

The draft budget should be presented to the Chief Executive Officer, Head of Teaching and Learning Head teachers, the Finance and Audit Committee and Full Board of Trustees together with a supporting report for approval. Once the draft budget is agreed this should be communicated to all responsible budget holders to ensure they are aware of the overall budgetary constraints.

Budget Management

The Chief Executive Officer, Chair of Finance and Audit Committee and Chair of Directors will receive monthly budget monitoring reports from the Head of Finance on current spend against budget and forecast outturn expenditure. Recommendations will be suggested regarding appropriate action to be taken to correct any significant over or under spending and plans formulated for consideration at the Finance Committee.

The Chief Executive Officer may delegate elements of the budget to staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the Trust as a whole. Delegated budget holders will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are accountable to the Chief Executive Officer who is responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored and managed.

Any potential overspends against the budget must in the first instance be discussed with the Chief Executive Officer. The accounting system will not permit payments to be made against an overspend budget without the approval of the Chief Executive Officer.

The Finance and Audit Committee will continually monitor the financial information presented to the Board to ensure that what is provided remains appropriate, particularly in terms of its timing, level of detail and narrative.

All delegated budget holders will receive finance training to enable them to manage their budgets effectively and efficiently.

Limits of Authority are outlined in the Academy's Scheme of Delegation, which is reviewed each year.

4. Accounting System

All financial transactions must be recorded on the accounting package. Access rights within the Academy's accounting package are defined for each user with a unique ID and password.

- All financial transactions relating to each of the Academy's budget within the Trust must be recorded using the accounting package. There must be a clear audit trail for all financial transactions from the original documentation to accounting records. Finance records must be stored for 7 years in accordance with the Companies Act.
- Only authorised staff will be permitted access to the accounting records, which should be securely retained when not in use.
- Authorisation and supervisory controls should be adequate to ensure transactions are properly recorded or that errors are identified.
- All records should be protected against un-authorised modifications, destruction, disclosure or loss whether by accident or intention.
- The finance system must be protected by robust back up procedures

Transaction Processing

- The Head of Finance will ensure that all journal transfers are monitored during monthly budget management.
- Bank Transactions must be input by the Finance Assistants, and are reconciled by the Office Managers, countersigned by the Head teacher or Head of Finance in their absence and scrutinised by Staff under the management of the Head of Finance to ensure that Office Managers are up-to-date and maintaining robust financial administration of their school accounts.
- The Head of Finance will ensure monthly reconciliations in respect of the control accounts and payroll suspense under the Budget management process of monitoring and control.

5. Monitoring of Payroll

Under the approval of the annual budget the Board of Trustees will approve a personnel establishment for each Academy within the Trust. Changes can only be made to this establishment with the express approval in the first instance by the Chief Executive Officer through consultation and agreement with the Finance and Audit Committee who must ensure that adequate budgetary provision exists for any establishment changes.

The Chief Executive Officer has the authority to appoint staff within the authorised establishment. The Head of Operations will maintain personnel files for all members of staff, which include contracts of employment. All personnel changes must be notified, in writing, to the Head of Finance to enable robust budget monitoring of the Salaries budgets.

All Payroll transactions relating to all Academy staff permanent or casual within the Trust will be processed through the payroll system. Payments for employment will not be made to staff or visiting lecturers through any other mechanism.

All personnel files shall be stored in a lockable cabinet. Only the Chief Executive Officer, Head teacher, Head of Operations and Head of Finance and Office Managers will have access to staff files but individuals can request to see their own files in line with GDPR policy and Legislation.

The Head of Finance will ensure through Trust and School staff that the staff personnel database is up-to-date via the personnel recording system.

5.1 Monitoring of the salaries budgets

Under the direction of the Head of Finance a monthly reconciliation between current months and previous months gross salary will be undertaken and the Chief Executive Officer Executive will be advised of any variances.

The Trust Finance Officers will randomly check the calculation of gross and net pay each month to ensure that the budget is being charged correctly.

At least once each term the Trust Finance Officers will check each member of staff gross pay against the payroll system to the contract of employment.

6. Purchasing

The Trust will always aim to achieve best value for money for all its purchases ensuring that services are delivered in the most economical, efficient and effective way, within available resources, and with independent validation of performance achieved wherever practicable. All members of staff are responsible for ensuring that they do not order goods or services that are over the specification required.

The Chief Financial Officer is responsible for ensuring procedures are in place for testing the market, placing of orders and paying for goods and services by following the general principles of:

- Probity – an approach to all interested parties in the disclosure of information that lends itself to necessary scrutiny.
- Accountability – the process whereby individuals are responsible for their actions and decisions.
- Fairness – that all those dealt with by the MAT are dealt with on a fair and equitable basis.

The Head of Finance will ensure that there are robust internal financial controls embedded within the Trusts process and procedures.

Orders for goods and services:

Under the management and ongoing guidance of the Office Manager, all Academy staff should raise a request to order goods or services using a requisition form (Appendix 2) available from each front office. Where the value of an order is over £5000, the requisition must be accompanied by evidence of an appropriate number of quotes /or proof that a Value for Money (VFM) exercise has taken place. Orders should only be authorised if the VFM documentation is present and correct. Advice about suppliers or obtaining best value is available from the Head of Finance and Business Administration Team.

Upon receipt of a requisition form the requisition must be authorised by a signatory in line with the Scheme of Delegation (Appendix 1).

Official orders will be raised through the Financial Management Information System and emailed or posted to the supplier by a Finance Administrator.

Telephone/direct verbal ordering will be permitted only in situations where raising an official order is not practicable and always with prior approval from the Chief Executive Officer or Head of Finance. In such cases, a confirmation order will be raised as soon as possible, normally within 24 hours. Requisition forms must be attached to the Financial Information System generated order. Office Managers must ensure that all Suppliers are asked by the academy financial administration staff to reflect the Purchase order Number on their delivery notes and invoices.

Delivery of Goods and Services

On receipt of goods a member of the relevant Academy's office staff (preferably a member of staff who did not place the order) will check the goods received, match the delivery note and sign and date the note to confirm this.

The office staff will check the delivery note against the original order to ensure the correct goods have been dispatched and then attach the delivery note to the original requisition form in the outstanding purchase order file.

The member of staff will raise any discrepancies with their Finance Assistant for investigation.

The office staff will dispatch goods to the staff who requested the goods

The member of staff who requested the goods must ensure that the goods received are of acceptable quality, any goods that are rejected must be notified to their Finance Administrator within 2 days of delivery. The signed delivery note should be attached to the invoice.

6.1 Orders for Goods and services

All Orders will be raised via the financial system except when good are purchased by Charge Card and both methods must be via a receipt of requisition form signed by a relevant budget holder. Where the value of an order is over £5000, the requisition must be accompanied by copies of three competitive quotes.

No spend should take place without budget approval irrelevant of the mechanism used such as Charge Card or petty cash.

6.2 Payment of Accounts

Invoices will be paid when the budget holder has shown approval that goods or services have been received and are of the quality expected; any discrepancies must be notified to the Office Manager for appropriate action to be taken.

All invoices and supporting documentation must be date stamped and the Office Managers are responsible for ensuring that supplier's details are kept up to date and payments made in line with terms of contract. Two signatures are required for all payments from bank and supporting documentation must be kept for statutory audit.

All cheques receivable and cash are to be stored in the safe and the keys held within a locked cabinet. The Office manager is responsible for ensuring that all cheques and cash are banked on a timely basis and must maintain a safe log.

All Office Managers have a responsibility to ensure that their school is as cashless as possible and must update the Head of Finance with explanations where this cannot be achieved on a regular ongoing basis.

Office Staff responsibilities for processing of Invoices:

Payment for supplies and services will be paid upon receipt of an invoice when:

- It is confirmed that goods or services have been received and are of the quality expected
- The invoice is arithmetically correct
- Prices are correct
- VAT has been treated correctly
- Any copy invoices will be checked thoroughly before processing for payment, in order that

duplicate payment can be avoided.

- At least two people must be involved in the process of agreeing invoices and authorising payment.
- The Office Manager will authorise the payment of the invoice.
- All invoices are to be processed through Financial Management information system.

Payments to individuals – IR35

Payments can be only made to individuals on production of proof that they are self-employed. They should produce proof of their Unique Tax Reference. (UTR). If they cannot provide proof of this, payment cannot be made to the individual via an invoice and they can only be paid via payroll and therefore must complete all the normal pre-employment checks.

Other Purchases

The Trust recognises that there are instances when it is not possible to process orders for goods and services in the normal way and items such as ingredients for cookery may have to be purchased and claimed back. Staff must always obtain prior approval before making any purchases that they require reimbursement for.

Internet Purchases & Charge Card Purchases Internet & charge card purchases should be authorised before a purchase is made.

Requisitions are required as per 'ordering goods and services' procedures above.

For the Central Team the Head of Finance and Executive Assistant both hold charge cards for orders placed over the internet.

At School Level Office Managers and Head teachers both hold charge cards for orders placed over the internet.

Charge cards should be held securely by named staff members at all times and the PIN codes not disclosed to any other party. Once the charge card statements arrive, costs are journalled appropriately into the accounts by the Office Managers and Trust Finance Officers. All receipts should be reconciled and missing receipts will be highlighted to the appropriate card Holder.

Cash Purchases

10.1 Small items of Expenditure

Head teachers may authorise expenditure up to £50. Reimbursements to staff will not be made without receipts and a signed requisition from the relevant Budget Holder. The Head teacher may authorise an increase in this limit to £100 in special circumstances but must notify the Head of Finance.

VAT receipts will be obtained for purchases where appropriate. - School staff placing orders on behalf of the school must not use their home address as the school will not be able to reclaim VAT. If a Vat receipt has not been obtained the school must take the cost of the VAT and not claim a reimbursement. The Office Manger must notify the Head teacher that this cost has been incurred.

Academy Trips

When it is necessary for staff to have access to money during an Academy Trip, every effort will be made to minimise the amount of cash being carried by using a charge card, traveller's cheques or other appropriate means. Authorisation for cash to be taken may be given by the Chief Executive Officer or the Head of Finance. The amount authorised will be consistent with the budget previously approved for the visit.

Trips

A lead teacher must be appointed for each trip to take responsibility for supplying information to the Office manager to allow for budgeting for the trip and collecting the sums due. The Office Manager will ensure that a record for each child intending to go on the trip is maintained showing the amount due. A copy must be given to the lead teacher.

To ensure a cashless approach all payments should be made through the schools online payment application/ system where possible, for any parents making payment at the academy office all attempts must be made to set the parent up with an online account for any future payments. The amount of money must be recorded against the child's record and the accounts system on timely basis and banked as soon as possible.

The Office Manager will maintain records of up to date payments made for each child showing the amount paid and the amount outstanding. This record will be sent to the lead teacher on a regular basis and the lead teacher is responsible for assisting the office staff in chasing the outstanding amounts. The Office Manager must also discuss the outstanding amounts with the Head teacher during their weekly meeting and supply a current income report with detail of what action is currently being undertaken to who is being chased on outstanding monies.

All school support such as PPG assistance must be recorded and the transfers made on the system. The Office manager must follow the guidance and procedure for school trips from the Head of Finance.

10.2 Internet Purchasing Procedures

Internet Purchases are only to be made if there is a benefit to the school e.g.

- Cheaper Price / Discount (after ensuring that VAT is recoverable)
- Better delivery time
- Product is unique to particular supplier
- Companies who only sell with on-line payment or payment up-front

All internet purchases must be made by the school office staff, upon receipt of a completed purchase requisition and the agreement of the budget holder or Head teacher. Each internet purchase must be accompanied by a printed confirmation sheet detailing products purchased, the date and total cost to the school.

Irrelevant of what method of payment is used all requests should be made to the Office Manager from the budget holder in the normal manner. An official order must be raised on the financial accounting system and authorised by the Budget Holder or Head teacher. It is the responsibility of the budget holder to ensure that the internet is the most appropriate means for procurement. Where possible the official order number should be quoted on the internet order as a cross reference. The internet order must be raised in the name of the school with the school's address, not to an individual.

All internet purchases must be made using the relevant academy named Charge Cards (following the Guidelines for use of Charge Cards).

7. Authorisation limits

Class 1 Contracts – Low value transactions

- £0 - £5,000 Head teacher to arrange directly.
- Due regard must be paid to the desirability of securing value for money by verbal enquiry and written confirmation.
- File notes must be kept to indicate the action taken.

Class 2 Contracts – Intermediate value transactions

- £5,001 - £25,000
- At least three written quotations must be invited before a purchase order is placed or contract is entered into, specifying the goods, materials, equipment, services or works and setting out prices, terms and conditions of contract and terms of payment.

Approval of Chief Executive Officer or Head of Finance must be sought prior to placing a purchase or entering into a contract

(Under the class 2 contracts Level the Chief Executive with agreement of the Finance and Audit Committee may set individual School levels lower depending upon budget constraints – this will be recorded in the minutes if this decision is taken)

Class 3 Contracts – High value transactions

- 25,001 - £50,000
- At least three written quotations must be invited before a purchase order is placed or contract is entered into, specifying the goods, materials, equipment, services or works and setting out prices, terms and conditions of contract and terms of payment.

Finance and Audit Committee approval must be sought prior to placing a purchase order or entering into a contract.

If it is not practical to obtain approval from a full meeting of the Finance and Audit Committee where required by the rules above, the Chair of that Committee may agree the Value decision and verify it in writing via email to the Head of Finance. The decision will then be reported back to the Finance and Audit Committee at its next meeting and formally recorded.

Class 4 Contracts – Tender procedures for high value transactions (not over the EU threshold)

£50,001 – EU threshold

A formal tender process must be conducted in the manner outlined in the requirements for Class 3 Contracts.

Class 4 – Procedures governed by EU Directives

Over EU threshold

Full tendering and EU procurement procedure must be conducted. NB: The thresholds for Class 4 contracts are subject to revision every two years and schools will be notified accordingly.

8. Value for Money

For quotes and tenders, the following limits will apply unless *the purchase forms part of an existing contract*:

- At least three written quotations will be obtained for all purchases over £5,000 and up to £50,000. Written details of quotations obtained should be prepared and retained for audit purposes.
- All goods and services ordered with a value of over £50,000, or for a series of contracts, which total over £10,50,000 will be ordered under the Tender process
- Purchases over £170,000 may fall under EU procurement rules, which require advertising in the Official Journal of the European Union.

9. Forms of Tender

There are three forms of tender procedure:

- Open,
- Restricted, and
- Negotiated

The circumstances in which each procedure should be used are described below:

9.1 Open Tender:

This is where potential suppliers are invited to tender. The budget holder must discuss and agree with the Chief Executive, Head of Operations and Head of Finance how best to advertise for suppliers. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

9.2 Restricted Tenders:

This is where suppliers are specifically invited to tender and 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 are such that only specific suppliers can be expected to supply the Academy requirements;
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

9.3 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 existing supplier are justified;
- Suppliers are already approved as part of the DfE or Coventry or Warwickshire LA tendering process.

9. 4 Preparing for Tender

Full consideration should be given to:

- Scope and objective of the project;
- Overall requirements;
- Technical skills required;
- GDPR Legislation;
- After sales service requirements;
- Form of contract.

It will be necessary to rank all the requirements and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

9.5 Invitation to Tender

An invitation to tender should include the following:

- Introduction/background;
- Scope and objectives of the project;
- Technical requirements;
- Implementation of the project;
- Terms and conditions of the tender;
- Form of response.

9.6 Aspects to consider

Financial

- Comparison of like with like cost.
- Hidden costs.

- Scope for negotiation.

Technical

- Qualifications of contractor.
- Experience.
- Descriptions of technical and service facilities.
- Compliance to CDM.
- Compliance to GDPR Legislation
- Certificates.
- Quality control procedures.
- Details of previous sales and references.

Other considerations

- Pre sales demonstrations.
- After sales service.
- Financial status of supplier.

9.7 Tender Opening Procedures

All tenders should be opened at the same time and tender details should be recorded. Two persons should be present at the opening of the tenders as follows:

- For contracts up to £50,000 the Chief Executive Officer and the Head of Finance
- For contacts over £50,000 Chief Executive Officer, the Head of Finance plus a member of the Finance Committee.

9.8 Tendering Procedures

The evaluation process should involve at least three people. Those involved should disclose all interests, which may influence their objectivity.

Those involved must take care not to accept gifts or hospitality from potential suppliers.

Full records should be kept of all criteria used for evaluation and for contracts over £50,000; a report should be prepared to the Finance and Audit Committee.

The accepted tender should be one that is economically most advantageous.

11. Income and Banking arrangements

The main sources of income for the MAT are the grants from the EFA and the Local Authority. The receipt of these funds is monitored by the Head of Finance Business Administration team who is responsible for ensuring all grants due to the Academies within the MAT are collected.

Within the Trust each Academy collects income from parents or the public for:

- School Meals
- Trips and residential visits
- Breakfast & After School Club
- Other miscellaneous income including school fund donations

Each Academy's Office Manager is responsible for the day to day administration and collection of income.

11.2 Lettings

The policy for lettings of premises is contained in a separate document. The Policy and charges will be reviewed annually and approved by the Finance and Audit Committee.

The office Manager and Office staff are responsible for maintaining records of bookings facilities and for identifying the sums due from each Organisation. Invoices will be prepared monthly in arrears for these facilities.

The Office manager must adhere to the debtor's policy and is responsible for managing incoming debt and will manage staff to ensure that they are robustly chasing and recording actions for outstanding debts. (The DfE prior approval is also required if the debt to be written off is above the value detailed in the funding agreement).

11.3 Custody

All cash and cheques must be held in the Office safe prior to banking. Banking will take place monthly or more frequently if the cash sum exceeds £1,000.

The Office Managers are responsible for preparing reconciliations between sums collected, the sums deposited at the bank and the sums posted to the accounting system. Reconciliations must be prepared promptly.

11.4 Debtors

- Debts under £100 may be written off at the discretion of the Head teacher.
- Debts under £101 to £250 may be written off by the Chief Executive Officer.
- Debts arranging from £251 to £500 may be written off only with the approval of the Finance and Audit Committee.
- Debts above the level as detailed in the funding agreement must be submitted to DfE for approval to be written off.

The following debt recovery policy will be applied:

- If payment has not been received 30 days after invoice a reminder along with a copy invoice will be sent asking for payment within 7 days with a threat of further (unspecified) action to recover the debt.
- Office staff will continue to talk to the debtor and send reminders, documenting the methods and ongoing dates of chasing the debt.
- Once the debt is 60 days the Office manager will take over chasing the debt (continuing the chronology of how the debt is being managed) and if after two weeks the payment is not forthcoming, a further reminder will be sent in writing by the Head Teacher.
- The Head teacher must meet with the debtor at this stage and agree a payment plan and a decision will be made by the Head Teacher whether to continue with any further provision (for example Music Tuition or Lettings).
- The current aged debtors report together with details of any debts written off (under £100) and a chronology of how the debt was chased will be provided to the Head of Finance each term.

12. Bank Accounts

The opening of all bank accounts must be authorised by the Chief Finance Officer who must set out in the Scheme of Delegation the arrangements covering the operation of accounts.

12.1 Deposits

Particulars of any deposit must be entered in a paying in slip and should include:

- The amount of the deposit and
- A reference, name of debtor or number of receipt.

12.2 Payments and withdrawals

All Bacs payments and other instruments authorising withdrawal from the Trust and Academies bank accounts must bear signatures in line with the Scheme of Delegation.

12.3 Bank Reconciliations

The Office Manager must ensure bank statements are received regularly and that reconciliations are performed in line with issued guidance from the Head of Finance. Reconciliations will be prepared by the Office Manager and are subject to independent monthly reviews carried out by the Trust Finance Officers.

12.4 Cash Flow Forecasts

The Head of Finance is responsible for preparing cash flow forecasts to ensure that the Academies have sufficient funds available to cover day-to-day operations.

12.5 Investments

Investments must be made in accordance with the reserves policy. When investing surplus funds Inspire Education Trust **must** adhere to the **Value for Money principles** achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the Trust's charge, the avoidance of waste and extravagance, and prudent and economical administration. Academies Financial Handbook

13. Fixed Assets

All items purchased with a value of over £5000 (capitalisation limit) must be entered in an Asset Register. The asset register should include the following information:

- Asset description;
- Asset number;
- Serial number;
- Date of acquisition;
- Asset cost;
- Source of funding;
- Expected useful economic life;
- Depreciation;
- Current book value;
- Location;
- Name of member of staff responsible for the asset.

The Asset Register helps to ensure that staff take responsibility for the safe custody of assets, acts as a deterrent for theft, manage effective utilisation of assets and to plan for their replacement and finally to support insurance claims in the event of fire, theft, vandalism or other disasters.

The Depreciation rates approved by the Governing body are as follows:

Buildings		2% straight line
Fixtures & fittings		20% straight line
ICT equipment		33% straight line
Motor vehicles		25% reducing balance

13.1 Security of Assets

All items in the register should be permanently and visibly marked as the Trusts and Academy's property and there should be a regular annual count other than by the person maintaining the register. Discrepancies should be investigated immediately and if significant reported to the Finance and Audit Committee.

13.2 Disposals

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Chief

Executive Officer and where significant should be sold through competitive tender. Academies within the Trust must seek approval in writing from the DfE if it proposes to dispose of an asset for which a capital grant in excess of £20,000 was paid.

Disposal of equipment to staff is discouraged, as it is difficult to evidence the Trust obtained value for money.

13. 3 Loans of Assets

Items belonging to academies within the Trust must not be removed from the Academy without the authority from the Head teacher. A record of the loan must be recorded in a loan book and booked back to the Academy when it is returned. The Head teacher and Office manager at each Academy holds responsibility for managing and recording any asset loans.

14. Keys Inventory

The Key inventory is the responsibility of the Site Service Officer of each Academy under the management of the Head of Operations and the Trust Premises Manager to maintain and to be kept up to date at all times. It is the responsibility of staff to report all lost and stolen keys to enable new security measures to be put in place and for the inventory to be updated.

15. ICT Systems

Contracts and Service level agreements with external providers are in place in conjunction with the Trust's ICT Network Manager and ICT dedicated team to protect key computer data and control features which include:

- Back-up Procedures managed and in place;
- Security management such as Passwords, encryption, correct levels of access for staff
- Hardware fit for purpose;
- Business continuity and Disaster recovery plans.

16. Reporting to the DfE and Companies House

16. 1 Trust Budget

The Trust is required to submit a copy of its annual consolidated budget to the DfE. This will be in the format of an income and expenditure statement on an accrual basis.

The Head of Finance must ensure that an agreed budget is supplied to the DfE in the required format by the deadline each year summarising the planned income and expenditure for the forthcoming year running from 1st September to 31st August.

16.2 Budget Monitoring

The Trust will submit budget-monitoring returns to the DfE, on an accrual basis, at the stages required

by the DfE.

16.3 Annual Accounts

As a Charitable company the Trust must comply with company law as set out in the Companies Act 2006. This includes a requirement to prepare a Directors' report and financial statement ('annual accounts') and for these to be independently audited by a registered auditor.

Financial Statements should be prepared to **31st August each year**. They should include:

- Incoming resources from all sources receivable in the period;
- Resources expended on all activities within the period;
- All assets and liabilities of the Academy at the balance sheet date;
- All cash received and expended within the period;
- Notes to the accounts.

The Annual accounts must be submitted by **31st December to EFA**. As soon as the DFE deadline, but by no later than **31st May** (9 months after the end of the accounting year), a copy of the Directors annual report and audited final accounts must be sent to Companies House.

17. Self-Assessment of management and Governance

Skills and Experience – the Chair of the Finance and Audit Committee, Chief Executive Officer and Head of Finance will ensure that the members of the Finance & Audit Committee will undertake an annual self-assessment in terms of skills, effectiveness, leadership and impact to provide assurance on the adequacy of the Trusts arrangements for financial management and governance.

As part of this assessment the trust should refer to:

- the features of effective governance in the Governance Handbook (strategic leadership, accountability, people, structures compliance and evaluation) and can also refer
- 21 questions for multi-academy trust boards published by the All-Party Parliamentary Group on Education, Governance and Leadership.

The self-assessment will provide assurance to the Academy's Accounting Officer that conditions of funding are being met, and that appropriate systems of control are in place.

Scheme of Delegation - Managing Money

Authorising order for goods and services and authorising payments

Position	Limit/Restriction- Goods and Services	Limit/Restriction Authorising Payments
Chief Executive Officer	£25,000	
Head of Finance	£25,000	£300,000
Head teachers	£5000	
Head of Departments/ Budget holders	Within budget allocation	Within budget allocation
Finance Officers	Nil	£100,000

Input of data onto school's computerised finance package

Position
Head of Finance
Trust Finance Officers
Executive Assistant
Office Managers
Finance Assistants

Authorisation of travel/Subsistence Claims

Position	Limit restriction	Staff claims to authorise
Chair of Board of Trustees	N/A	Chief Executive Officer
Chief Executive Officer	£500	Heads of T&L , HOF, HOO, Executive Assistant
Head of Finance	£500	Trust Finance Officers , Central ICT staff, Premises Manager
Head teachers	£100	All School Staff
Deputy Head Teachers	£100	All School Staff

Input and Authorisation of Payroll Changes

Authorisation to certify Payroll input documents	Staff to process and submit paperwork to Payroll	Payroll authorisation limits
Chief Executive Officer	Executive Assistant	£1,000,000
Head of Finance	Executive Assistant	£1,000,000
Heads of Teaching & Learning	Office Manager	£ 800,000

Authorisation to write-off bad debts

Position	Limit/ Restriction
Head teachers	£100
Chief Executive Officer Head of Finance	£101 - £250
Finance Committee	£251- £500
Secretary of State	Detailed in funding letter

VAT returns

Task	Who
Updating Suppliers details - Vat numbers must be entered onto the accounting system by the finance assistant and checked by the office manager	Finance Assistants under the direction of the Office managers
Accounting for VAT correctly - all vat claimed must have a supporting VAT invoice	Finance Assistants under the direction of the office manager
Submittal of VAT Returns and Control Account reconciliations	Trust Central staff under the direction of the Head of Finance

Authorisations on the financial management information system

Position	Delegated by	Limit
Head of Finance	Finance and Audit Committee	
Head of Finance	Chief Executive Officer	Up to £25,000
Trust Finance Officer	Head of Finance	Up to £5,000
Position	Delegated By	Authorisation of orders & invoices
Office Manger	Head teacher by signed Requisition	

BACS payments

- **Signatories** : Two signatories required one from School Level and one from trust level

School Signatories	Trust Signatories
Head teacher	Executive Chief Officer
Deputy Head teacher	Head of Secondary T&L Head of Primary T&L Head of Finance Finance Officers

- **Uploading payments to Bacs** : One inputter to upload payments to Bacs

School	Trust
Office Manager	Head of Finance
	Trust Finance Officers

- Approval of Inter bank account transfers two signatories required

Any two Signatories	Head of T&L, HOF , Finance Officers
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INSPIRE EDUCATION TRUST

NAME OF SCHOOL

Appendix 2



REQUISITION FORM

SUPPLIER:	
ADDRESS:	
REQUESTED BY:	DATE:
BUDGET:	

Orders cannot be processed until this form contains an authorised signature.

ITEM CODE	ITEM DESCRIPTION	Qty	PRICE EACH	TOTAL
TOTAL:				

AUTHORISED: _____

Date: _____

Office use: (This section MUST be completed)

Cost Centre:	Ledger Code:	Order No.	Raised on FMS:	Authorised by:
Order sent:	Delivered:	Invoice Entered:	Invoice Auth. by:	BACS payment:

Approval for: Finance policy

Renewal Date :Summer term 2020

Date of Approval :

Accounting Officer (Lois Whitehouse) Signature :

Chair of Finance & Audit committee (Graham Wise) Signature :