Finance Policy

Monitoring and review: Director of Finance is responsible for the monitoring and review of this policy

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FINANCE POLICY

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1.0 INTRODUCTION

INSPIRE (herein after referred to as 'INSPIRE' or the 'school') converted to academy status on 1 September 2015. It is a company limited by guarantee, incorporated in England & Wales under company number 09691946

This policy has been reviewed and revised to comply with the Academies Trust Handbook 2026 (ATH 2026), which comes into effect on 1October 2026) and covers the duties and obligations of the academy trust arising from INSPIRE's Funding Agreement (FA) with the Secretary of State for Education. It provides detailed information on the school's accounting procedures and should be read by all staff and governors involved with financial systems and accountability.

1.1 The meaning of 'member', 'trustee' and 'governor'

The members of INSPIRE have a different status from the trustees. As a charitable company limited by guarantee INSPIRE has members who have a similar role to shareholders of a company limited by shares. They:

- are the subscribers to the trust's memorandum of association (where they are founding members),
- may amend the articles of association subject to any restrictions in the articles, the funding agreement or charity law
- may, by special resolution, appoint new members or remove existing members have powers to remove trustees in certain circumstances
- may, by special resolution, issue direction to trustees to take specific action
- appoint the trusts auditors and receive the trust's audited annual accounts
- have power to change the name of the company and, ultimately, wind up the academy trust. While members can also be trustees, retaining some distinction between the two layers ensures members, independent of trustees, provide oversight and challenge. INSPIRE has five members.

In this document there are frequent references to trustees. This is taken to be the same body of people as the trustees of the company and they are also governors of the academy; reference to governor will largely constitute the Local Governing Body for each of the schools within the MAT.

The trustees are the people responsible under the academy trust's articles of association for controlling its management and administration. They have responsibility for directing its affairs, and for ensuring that it is solvent, well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up.

2.0 ROLES AND RESPONSIBILITIES

2.1 Responsibilities of the Multi Academy Trust's (MAT's) Trustees

The trustees of INSPIRE accepts its wide responsibilities under statute, regulations and the FA. The trustees understands that it is specifically responsible for ensuring that the trust's funds are used only in accordance with the law, the MAT's powers under the FA (including the trust's articles of association which set out the powers of the trust and its governance arrangements), and the ATH 2026

The trustees should focus on three core functions of governance:

- ensuring clarity of vision, ethos and strategic direction
- holding the Chief Executive Officer to account for the educational performance of the organisation and its pupils, and the performance management of staff
- overseeing and ensuring effective financial performance.

The trustees must apply the highest standards of conduct and ensure robust governance and take full ownership of their duties. They must comply with the trust's charitable objects, with company and charity law, and with their funding agreement. The trustees of INSPIRE are aware of their statutory duties as company trustees, which are set out in sections 170 to 181 of the Companies Act 2006. These comprise the duties to:

- act within their powers;
- promote the success of the company (MAT);
- exercise independent judgment;
- exercise reasonable care, skill and diligence;
- avoid conflicts of interest;
- not to accept benefits from third parties; and
- declare interest in proposed transactions or arrangements.

These duties are especially relevant when entering into transactions with connected parties. The trustees have wide discretion over its use of the trust's funds. It is responsible for the proper stewardship of those funds and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money. The trustees understand that it must also ensure that it uses its discretion reasonably, and takes into account any and all relevant guidance on regularity and propriety. The trustees are, therefore, responsible for establishing and reviewing the school's finance policy and procedures, with a review undertaken on an annual basis.

As a company limited by guarantee and, under the terms of the Academies Act 2010, an exempt charity, the trustees of INSPIRE understand that they are subject to the duties and responsibilities of charitable trustees and company trustees as well as any other conditions that the Secretary of State agrees with them. These responsibilities are mutually reinforcing and are there to ensure the proper governance and conduct of the trust. The key requirements are reflected in the FA (including the articles) and in the ATH 2026, but the trustees are also aware of the Charity Commission's guidance for academies in Academy Schools.

The board and its committees have agreed to meet regularly enough to discharge their responsibilities under their articles of association, funding agreement and this handbook, to ensure robust governance and effective financial management arrangements. Board meetings will take place at least three times a year and business will only be conducted when quorate.

Whilst the board cannot delegate overall responsibility for the academy trust's funds, it has approved a written scheme of delegation of financial powers that maintains robust internal control arrangements.

The FA sets out further specific responsibilities of the board of trustees and the Accounting Officer (AO) of the trust.

2.1.1 Inclusion Governance and Financial Accountability

In accordance with the ATH 2026, the board of trustees has designated the Standards and Achievement Committee to have specific oversight of inclusion, including SEND provision.

As a specialist SEND provision trust, the **Finance, Audit & Risk Committee** has designated responsibility for overseeing the **financial sustainability** of the trust's specialist SEND provision model. The committee's detailed responsibilities for SEND financial oversight are set out in Section 2.2.

Board Oversight

The full board of trustees retains overall responsibility for inclusion and SEND, and will:

- Review and approve the trust's inclusion strategy annually
- Monitor inclusion outcomes and provision quality through reports from the Standards and Achievement Committee
- Monitor the financial sustainability of SEND provision through reports from the Finance, Audit & Risk Committee
- Ensure that inclusion remains central to the trust's strategic priorities and decision-making
- Hold the CEO to account for the quality and effectiveness of inclusion provision
- Ensure that educational and financial planning are appropriately integrated to support high-quality SEND provision

2.2 Responsibilities of the Multi Academy Trust's Finance, Audit & Risk Committee

INSPIRE has a Finance, Audit & Risk Committee to which the governors have delegated the detailed scrutiny and oversight of the trust's finances. (Although the full governing body must approve the budget/any material changes to the budget and minute this – see INSPIRE's Scheme of Delegation).

The ATH 2026 stipulates that 'academy trusts must establish an audit and risk committee, appointed by the board of trustees', to provide assurance over the suitability of, and compliance with, its financial systems and control.' It is not practicable for INSPIRE to have a dedicated audit and risk committee, so in line with DfE flexibility, the trustees discharge these requirements through the Finance, Audit & Risk Committee whose remit includes the functions of an audit and risk committee. This work is in addition to the terms of reference of the committee, with overlapping or fully integrated membership. The Finance, Audit & Risk committee functions are established in such a way as to achieve internal scrutiny which delivers objective and independent assurance, which means that they will ensure compliance with the ATH 2026 requirements for an audit and risk committee by:

- Overseeing and approving the trust's programme of internal scrutiny
- Ensuring risks are being addressed appropriately through internal scrutiny
- Report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risk.

- This therefore means that employees of INSPIRE should not be members of this committee. The accounting officer and other relevant senior staff routinely attend the committee to provide information and participate in discussions. The chair of trustees should not be the chair of this committee.

The Finance, Audit & Risk Committee's work focuses on providing assurances to the board of trustees that risks are being adequately identified and managed by:

- reviewing the risks to internal financial control at the trust; and
- agreeing a programme of annual work that will address these risks in conjunction with the risk register. The outcome of their work informs the governance statement that accompanies the trust's annual accounts and, so far as is possible, provides assurance to the external auditors.

The Finance, Audit & Risk Committee should have an understanding of the extent to which INSPIRE is meeting the DfE's digital and technology standards and be working towards meeting the following 6 core standards by 2030:

- Broadband internet
- Network switching
- Wireless network
- Cyber Security
- Filtering and monitoring
- Digital leadership & governance

Oversight of Specialist SEND Provision Finances

As a specialist SEND provision trust, the Finance, Audit & Risk Committee has designated responsibility for overseeing the financial sustainability of our specialist provision model. This includes:

- Monitoring the adequacy of high needs funding from local authorities in relation to the costs of delivering appropriate specialist provision
- Reviewing the financial viability of our specialist provision model, including staffing ratios, specialist resources, and therapeutic provision
- Ensuring value for money in all SEND-related expenditure, recognising that the lowest cost option may not always represent the best value for our pupils
- Overseeing financial relationships with commissioning local authorities, including the resolution of any funding disputes
- Monitoring the financial impact of changes in pupil numbers, complexity of needs, or local authority commissioning patterns

The committee receives termly reports on:
- High needs funding received (place funding and top-up funding) compared to costs of provision
- Local authority funding negotiations, agreements, and any disputes
- Specialist staffing costs and deployment
- Therapeutic and specialist resource expenditure
- Financial risks specific to our specialist SEND provision model

This oversight ensures that the trust maintains financial sustainability while continuing to deliver the high-quality specialist provision that our pupils require.

2.2.1 Financial Training and Expertise Requirements

In accordance with the ATH 2026, the board of trustees recognises the importance of effective financial knowledge and expertise to fulfil its governance responsibilities.

Appropriate financial training and development will be made available to trustees, having regard to their role, existing skills and experience and identified development needs. This may include recognised external governance training, Trust-specific financial briefings and other relevant professional development. Particular regard will be given to the financial knowledge and training needs of the members of the Finance, Audit & Risk Committee.

2.3 Responsibilities of the Multi Academy Trust's Accounting Officer (CEO)

In accordance with the ATH 2026, each academy trust must designate a named individual as its Accounting Officer. The individual must be a fit and suitable person for role and adhere to the 7 principles of public life. INSPIRE's Accounting Officer is the CEO, who acts as an ex officio trustee. (NB - The appointment of an Accounting Officer does not remove the responsibility of trustees, both individually and as a board, for the proper conduct and financial operation of the trust).

Whilst the CEO has responsibility, under the board's guidance, for the trust's overall management and staffing, their appointment as Accounting Officer confers specific responsibilities for financial matters. In particular the Accounting Officer is personally responsible to Parliament, and to the accounting officer of the DfE, for the resources under their control, and must be able to assure Parliament and the public of high standards of probity in the management of public funds.

The accounting officer must have appropriate oversight of financial transactions by:

- ensuring that the academy trusts property and assets are under the control of the trustees, and measures exist to prevent loss or misuse
- ensuring bank accounts, financial systems and financial records are operated by more than one person
- keeping full and accurate accounting records to support their annual accounts

The Accounting Officer completes and signs a statement on regularity, propriety and compliance each year and submits this to the DfE with the audited accounts. The Accounting Officer also demonstrates how the trust has secured value for money via the governance statement in the annual accounts.

The Accounting Officer must take personal responsibility (which must not be delegated) for assuring the board that there is compliance with the ATH, the FA and all relevant aspects of company and charitable law. The Accounting Officer also has responsibilities for keeping proper financial records and accounts, and for the management of opportunities and risks.

The Accounting Officer will advise the board of trustees in writing if, at any time, in his or her opinion, any action or policy under consideration by them is incompatible with the terms of the articles, ATH or FA. Similarly, the Accounting Officer will advise the board in writing if the board appears to be failing to act where required to do so by the terms and conditions of the ATH or FA. Where the board of trustees is minded to proceed, despite the advice of the Accounting Officer, the Accounting Officer will consider the reasons the board gives for its decision. If, after considering the reasons given by the board, the Accounting Officer still considers that the action proposed by the board is in breach of the ATH or FA, the Accounting Officer will advise the DfE's accounting officer of the position in writing.

The Accounting officer must be able to assure the DfE's accounting officer, Parliament and the public, of high standards of probity in the management of public funds, particularly regularity, propriety, feasibility and value for money, including economy, efficiency and effectiveness – the 3 elements of value for money.

The following definitions are set out in MPM:

- **Regularity:** the proposed transaction is compliant with the framework of authorities of the department or body concerned. That the transaction under consideration has sufficient legal basis, parliamentary authority, and Treasury authorisation; is compatible with the agreed spending budgets, the wider legal framework (for example subsidy control or procurement law), and the requirements regarding spending set out in this document.
- **Propriety:** the proposal meets high standards of public conduct and relevant Parliamentary control procedures and expectations, including compliance with any conventions or commitments made to Parliament and cross-cutting government policies or standards, as well as the standards of conduct and good governance, as set out in this document.
- **Value for money:** in comparison to alternative proposals or doing nothing, the proposal delivers the stated policy objectives in a way that represents good value for the Exchequer as a whole, taking into consideration the chances of different degrees of success or failure.
- **Feasibility:** the proposal can be implemented accurately, sustainably, and to the intended timetable with the resources available and without incurring wasteful or nugatory spend.

These definitions are not set out in the MPM but may be useful:

- **Economy:** reducing the cost of resources used for an activity, while maintaining quality
- **Effectiveness:** achieving the intended outcomes or objectives.
- **Efficiency:** achieving maximum output for given inputs, or minimum inputs for a given output.

Whilst the Accounting Officer is accountable for the academy trust's financial affairs, the delivery of the trust's detailed accounting processes is delegated to a Chief Financial Officer, who performs the role of Director of Finance.

2.3.1 Going Concern Monitoring and Notification

The Accounting Officer (CEO) must monitor risks to the trust's ability to continue operating as a going concern and notify the board immediately if any such risks are identified.

Going Concern Risks for Specialist SEND Provision

For INSPIRE, specific going concern risks include:

- Significant reductions in commissioned places from any LA
- Material funding disputes with LAs that could impact the trust's ability to deliver provision or meet financial obligations
- Sustained increases in provision costs not matched by corresponding increases in funding
- Changes in LA commissioning strategies or high needs funding policy
- Cash flow pressures from timing differences between incurring costs and receiving high needs funding

Notification and Response

If going concern risks are identified, the Accounting Officer must immediately notify the board with:

- Clear explanation of the nature and scale of the risk
- Financial impact analysis, including scenarios and timeframes
- Recommendations for remedial action

The board must then:

- Take ownership of the issue and determine appropriate action
- Notify the DfE immediately (notification must not be delayed while attempting to resolve the issue)
- Monitor the situation closely until resolved

Candour and Transparency

The Accounting Officer must apply candour and transparency in all discussions with the board on financial management, financial reporting, irregularity, fraud, non-compliance, and risks to financial sustainability. Information must not be withheld or downplayed, even where unwelcome or challenging.

Personal Assurance

The Accounting Officer must personally assure the board (at least termly) that:

- The trust is complying with its funding agreement and the ATH
- Financial management arrangements are robust and effective
- All material financial risks have been identified and reported
- There are no going concern risks, or if there are, these have been reported to the board and DfE

This assurance must be documented in board meeting minutes and cannot be delegated.

2.4 Responsibilities of the Multi Academy Trust's Chief Financial Officer (Director of Finance)

All academy trusts must have a Chief Financial Officer (CFO) appointed by the board of trustees, who is the trust's Finance Director or Business Manager, to lead the finance

department. The DfE recognises that many CFOs combine their specific financial responsibilities with a range of other support and leadership responsibilities. INSPIRE's CFO is the Director of Finance.

The Director of Finance holds a technical and leadership role in the trust. Key responsibilities for the Director of Finance include:

- ensuring sound and appropriate financial governance are in place;
- ensuring sound and appropriate risk management arrangements are in place;
- preparation/delivery of the annual accounts; and
- preparation and monitoring of the budget;

The Director of Finance does not always discharge all of these duties personally. Where necessary, the trustees employ the services of other individuals or companies with relevant skills and knowledge at the relevant time (e.g. external auditors to assist with annual accounts at year end).

Qualifications and Expertise

INSPIRE's CFO (Director of Finance) holds a CIPFA Level 7 qualification in Strategic Financial Management, demonstrating the professional expertise required to lead the trust's finance function.

While the ATH 2026 CFO qualification requirements (qualified accountant or CIPFA Level 7) apply only to trusts with over 3,000 pupils, INSPIRE's board is satisfied that the CFO has the necessary qualifications, skills, and experience to fulfil the role effectively and support the board in fulfilling its financial governance responsibilities.

The CFO maintains continuing professional development to ensure skills and knowledge remain current and relevant to the trust's needs as a specialist SEND provision.

2.5 Other Staff with financial responsibilities

Other members of staff, primarily the Finance Administrators and the HR and Facilities Lead, will also have varying levels of financial responsibilities and these are outlined in INSPIRE's Scheme of Delegation. All staff are responsible for the security of school property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the school's financial procedures.

2.6 The Internal Auditor

The Internal Auditor is appointed by the Finance, Audit & Risk Committee and provides governors with an independent oversight of INSPIRE's financial affairs. The main duties of the Internal Auditor are to provide the trustees with independent assurance that its financial and non-financial controls and risk management procedures are operating effectively.

The internal scrutiny schedule will be agreed with the trustees and financial reviews will be carried out in order to provide the trustees (and indirectly the Department for Education) with the required assurance. As stated in the ATH 2026 internal scrutiny must focus on:

- Evaluating the suitability of, and level of compliance with, financial and non-financial controls. This includes assessing whether procedures are designed effectively, and checking whether agreed procedures have been followed.

- Offering advice and insight to the board on how to address weaknesses in financial and non-financial controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of the trust.
- Ensuring all categories of risk are being adequately identified, reported ad managed.

INSPIRE will identify on a risk basis (with reference to the risk register) the areas it will review each year, modify the checks accordingly e.g. this may involve greater scrutiny where procedures have changed.

A report of the findings from each visit will be provided to all trustees, who will consider any recommendations or action arising. The Finance, Audit & Risk Committee are responsible for ensuring that such recommendations/action are implemented by the school.

3.0 MAIN FINANCIAL & GOVERNANCE REQUIREMENTS

3.1 Financial oversight

The academy trust's trustees and local governing body have undertaken a skills audit and bespoke training to ensure that they have the skills, knowledge and experience to run the academy trust.

At INSPIRE, the CEO has been appointed by the trustees to act as an ex-officio trustee. In their capacity as accounting officer, under the guidance of the board, the CEO agrees they must ensure that there is appropriate oversight of financial transactions. In doing so, they must:

- ensure that bank accounts, financial systems and financial records are operated by more than one person;
- ensure that all the trust's property is under the control of the trustees, and that measures are in place to prevent losses or misuse, including maintenance of a comprehensive fixed asset registers;
- keep full and accurate accounting records;
- prepare accruals accounts, giving a true and fair view of the trust's incoming resources and application of resources during the year, and the state of affairs at the year-end, in accordance with existing accounting standards.
- Ensure regularity, propriety and value for money in the organisations activities
- Ensure a risk register is maintained and reviewed by the board drawing on advice provided to it by the Finance, Audit & Risk Committee.
- Reduce the risk of fraud and theft; and
- Deliver independence checking of controls, systems, transactions and risks.

In support of this, the governing body (and appropriate committees) agree that they must:

- ensure good financial management and effective internal controls;
- comply with their funding agreement and this handbook; and
- receive and consider information on financial performance at least six times a year, and take appropriate action to ensure on-going viability.

The trustees have appointed a Clerk to the Governors, who is someone other than a trustee, principal / head teacher or chief executive of the trust.

The trustees have approved a written Scheme of Delegation of Financial Powers so that it is clear who is responsible for what.

In addition to the standard charitable controls, the trustees have satisfied themselves that the academy trust's finance staff are appropriately qualified and/or experienced. The trustees and CEO ensure that the skills of these staff are kept up to date through continuing professional development and personal learning journeys (PLJ's).

3.2 Financial planning

The academy trust agrees to prepare financial plans so as to secure its short-term and long-term financial health. These plans are prepared as part of the school review process.

3.2.1 Types of financial plans

Annual budget - The annual budget should reflect the school's prioritised educational objectives as set out in the Trust strategic priorities and individual schools Development Plan, seek to achieve value for money and be subject to regular, effective monitoring.

The budget is a detailed statement of the expected resources available to the school and the planned use of those resources for the following year. The trustees of the academy trust agree to review and approve a balanced budget (and any significant changes to that budget) for each financial year (usually to 31 August), which may draw on unspent funds brought forward from previous years. A copy of the final budget is then reviewed by the external auditors and submitted to the DfE (in a format specified by the DfE) in accordance with DfE published deadlines. The trustees also review and approve any significant changes to budget plans and notify the DfE of any such changes. (see Scheme of Delegation)

The INSPIRE 3 year Development Plan - indicates how the school's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

INSPIRE 5 year Financial Plan - is produced as an indicative guide of funding and resource use in the longer term.

3.2.2 Budgetary Process

Setting the Budget

The budget is compiled to 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 will be a clear link between the Development/Strategic Plan objectives and the budgeted utilisation of resources.

As a specialist SEND provision trust, the budgetary planning process will incorporate the following elements specific to our provision model:

Pupil and Funding Analysis:

- Forecasts of commissioned places from each local authority, including confirmed place numbers for the forthcoming year

- Analysis of anticipated top-up funding rates based on confirmed LA funding agreements and any anticipated changes
- Review of the complexity and range of needs across our current and anticipated pupil cohort, and the associated staffing and resource implications
- Assessment of any anticipated changes to pupil numbers or needs profile that may impact provision costs

Specialist Staffing and Resources:
- Assessment of specialist staffing requirements, including:
  - Higher staff-to-pupil ratios required for our specialist provision
  - Specialist teachers with SEND expertise
  - Therapists (e.g., speech and language, occupational therapy, physiotherapy)
  - Learning support assistants
  - Specialist pastoral and behaviour support staff
- Review of specialist equipment, resources, and therapeutic provision costs
- Assessment of specialist training needs for staff

Local Authority Relationships:
- Review of LA funding agreements and any anticipated changes to high needs funding rates or commissioning patterns
- Analysis of any ongoing funding negotiations or disputes with LAs
- Assessment of financial risks associated with changes in LA commissioning strategies

Other Financial Considerations:
- Review of other income sources available to assess likely level of receipts
- Review of past performance against budgets to promote an understanding of the trust's cost base
- Identification of potential efficiency savings while maintaining the quality and specialist nature of provision
- 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)

This approach ensures that budget setting is driven by the needs of our pupils and the requirements of our specialist provision model, while maintaining financial sustainability.

3.2.3 Integrated Curriculum and Financial Planning (ICFP)

In accordance with the ATH 2026, boards should use integrated curriculum and financial planning (ICFP), which is a management process that helps trusts design and plan the best curriculum and provision for pupils with the funding available.

INSPIRE's Needs-Led Planning Approach

INSPIRE recognises that traditional ICFP models are designed for mainstream schools with standard curriculum structures. In specialist SEND settings, provision must be individualised and responsive to each pupil's EHCP, staffing is driven by pupil needs rather than curriculum subjects, and financial planning must account for the unique high needs funding model.

Therefore, INSPIRE has developed a Needs-Led Financial and Provision Planning approach which delivers the core principles of ICFP in a way appropriate for specialist SEND provision. This approach integrates educational provision planning with financial planning through:

1. Pupil Need Analysis
- Annual review of the complexity and range of needs across our cohort, including analysis of EHCPs and provision maps
- Identification of emerging needs and anticipated changes based on transition planning and LA commissioning information
- Assessment of the impact of pupil needs on staffing, specialist resources, and facility requirements

Led by Headteachers in collaboration with the Director of Education, reviewed regularly by the CEO.

2. Provision Mapping and Costing
- Mapping of specialist provision required (therapeutic interventions, specialist teaching, pastoral support, specialist equipment)
- Costing of staffing models, including staff-to-pupil ratios and specialist expertise required
- Assessment of facility requirements and necessary adaptations

Key performance information is consolidated at trust level by the Director of Finance.

3. Funding Alignment and Sustainability
- Matching provision costs against confirmed place funding and top-up funding from LAs
- Identifying and addressing funding gaps through negotiation with LAs
- Scenario planning for different funding outcomes

Led by the Director of Finance in collaboration with the CEO and Headteachers.

4. Value for Money Assessment
- Evaluating the effectiveness of specialist provision in achieving pupil outcomes (EHCP outcomes, academic progress, personal development, preparation for adulthood)
- Reviewing staff deployment and utilisation to ensure efficiency
- Exploring collaborative approaches to achieve economies of scale
- Benchmarking costs against similar specialist SEND provisions where appropriate

Undertaken annually as part of budget setting and reviewed by the Finance, Audit & Risk Committee.

5. Sustainability Planning and Risk Management
- Scenario planning for changes in LA commissioning patterns or funding rates
- Contingency planning for fluctuations in pupil numbers or complexity of needs
- Long-term financial modelling (3-5 years) including projected pupil numbers, LA commissioning changes, capital investment, and workforce planning

Led by the Director of Finance in collaboration with the CEO, reviewed annually by the board of trustees.

Governance and Oversight
The Finance, Audit & Risk Committee reviews our needs-led planning approach termly, ensuring that provision planning is reflected in financial planning, staffing models are efficient, financial resources support EHCP outcomes, and the trust achieves value for money.

The board of trustees receives annual assurance that the trust's planning approach integrates provision and financial planning effectively and supports the delivery of high-quality outcomes for pupils.

This approach ensures that financial planning is always driven by our core purpose: delivering high-quality specialist SEND provision that meets the individual needs of our pupils and achieves the best possible outcomes within available resources.

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 will be explored if necessary and expenditure headings will be reviewed to identify where potential cuts or savings can be made. This may entail prioritising tasks and deferring projects until further 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, subject to any restrictions on carry forwards imposed by the DfE.

The board of trustees agrees to notify the DfE (within 14 days) if it is formally proposing to set a deficit revenue budget for the current financial year, which it is unable to address after funds from previous years are taken into account.

Finalising the Budget
Once the different options and scenarios have been considered, the draft budget will be submitted with a statement of 'Funding Assumptions' to the Finance, Audit & Risk Committee for initial consideration. The Finance, Audit & Risk Committee will then take this to the full governors for approval. The budget should be communicated to the Leadership Team 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.

Budget Forecast Return Submission
Once the budget has been approved by the board of trustees, the trust must submit a Budget Forecast Return (BFR) to the DfE by the deadline set by the DfE each year.
The Director of Finance is responsible for:

- Preparing the BFR in the format specified by the DfE
- Ensuring the BFR is reviewed and approved by the CEO (as Accounting Officer) before submission
- Submitting the BFR to the DfE by the published deadline
- Retaining evidence of the submission for audit purposes

The DfE typically publishes the BFR deadline in the spring term for submission in the summer term. The Director of Finance will monitor DfE communications to ensure the trust is aware of the deadline each year. Failure to submit the BFR by the deadline may result in DfE intervention and could impact the trust's financial management rating

Budget Management, Monitoring and Review

For each school budget a set of monthly management accounts will be prepared and made available by the Director of Finance. The reports will detail actual income and expenditure against budget both for Headteacher and at a summary level for the CEO, Finance, Audit & Risk Committee and full governing body. The monthly management accounts will be communicated to the chair of trustees and the chair of the Finance, Audit & Risk Committee.

Any potential overspend against the budget must, in the first instance, be discussed with the Director of Finance.

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.

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

If a budget overspend is forecast it may be appropriate to vire money from another budget or from the contingency. All budget virements must be authorised by the appropriate person detailed in Appendix A.

Going Concern Monitoring

As part of the budgetary process and ongoing financial monitoring, the CEO (as Accounting Officer) monitors going concern risks specific to specialist SEND provision, including risks related to LA commissioning, funding disputes, provision costs, and cash flow pressures.

The Accounting Officer's detailed responsibilities for going concern monitoring and notification to the board and DfE are set out in Section 2.3.1.

Where going concern risks are identified during budget setting or financial monitoring, these are immediately reported to the board of trustees and appropriate action is taken, including notification to the DfE where required.

3.3 Financial accounts

In respect of its financial accounts, INSPIRE's board of trustees agrees to:

- approve a set of accounting policies;
- maintain proper accounts;
- appoint a registered statutory auditor; and
- prepare annual financial statements (accounts).

INSPIRE agrees to abide by the DfE's Accounts Direction, which sets out in more detail the requirements and timetable for the preparation and submission of academy trusts' annual reports and financial statements.

In addition to this, INSPIRE agrees to notify the Secretary of State, via the DfE, of any instances of fraud or theft where the value exceeds any sum notified by the DfE or appears to be systematic.

3.4 Internal control framework and principles

The academy trust has put in place a sound internal control framework which recognises public expectations about governance, standards and openness. These exist to ensure the reliability and accuracy of its financial transactions.

The trustees of INSPIRE has defined its own standards to underpin its internal control framework. These are based on the "Guidance on Codes of Practice for Board Members of Public Bodies" and the 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; and
- **Leadership** - Holders of public office should promote and support these principles by leadership and example.

3.5 Risk Management, Business Continuity & Insurance arrangements

INSPIRE has arrangements for recognising, managing and tracking opportunities and risks – outlined in a central Risk Management Register. The board of trustees have made a considered choice about its desired risk profile, taking account of its legal obligations, its business objectives, and public expectations of what it should deliver. The trust has assessed the risks arising from its operations (e.g. financial loss) and included the likelihood and

materiality of each risk. This information is contained in the central Risk Register with evidence of how these risks are being managed or mitigated. This is reviewed on at least an annual basis.

Contingency/Business Continuity Plan
INSPIRE has a Contingency and Business Continuity Plan (set up in conjunction with its Health & Safety consultants, Judicium) setting out what it would do to ensure the continued operation of the trust, in the event of a critical incident or natural disaster.

Specialist SEND Provision Financial Risks
As a specialist SEND provision trust, INSPIRE's Risk Register includes specific risks related to our funding model and provision, in addition to general operational risks faced by all academy trusts.

Key SEND-Specific Financial Risks:
- Funding and commissioning: Changes to LA commissioning patterns, funding disputes, delays in receiving high needs funding, dependency on small number of LAs, changes to national high needs funding policy
- Pupil and provision: Increases in complexity of needs without corresponding funding increases, mid-year placements without confirmed funding, fluctuations in pupil numbers, emergency placements, costs not covered by standard top-up funding
- Staffing and resources: Recruitment and retention of specialist staff in a competitive market, specialist staff costs exceeding available funding, specialist training and professional development costs, specialist equipment and therapeutic resources
- Operational: Maintaining and adapting specialist facilities, insurance costs for specialist provision, specialist transport, legal costs from SEND tribunal cases or funding disputes

Risk Management Approach
The Finance, Audit & Risk Committee reviews these risks termly, with input from the CEO, Headteachers, and Director of Finance. For each risk, the trust documents the nature and impact, likelihood, current mitigation strategies, further actions required, responsibility, and review date.

Mitigation strategies include maintaining reserves to manage funding fluctuations (see Section 6.1), diversifying LA commissioner base, robust financial forecasting and scenario planning, proactive engagement with LAs, flexible staffing models, collaborative approaches with other specialist providers, and regular review of provision costs and value for money.

This approach ensures that financial risks specific to specialist SEND provision are identified, monitored, and actively managed to protect the trust's financial sustainability and the quality of provision for our pupils.

Insurance arrangements
Part of INSPIRE's risk management strategy is to have adequate insurance cover in place – INSPIRE has opted into the RPA. Insurances are held with Zurich Municipal, for minibuses and engineering inspections for all schools within the Trust..

3.6 Financial monitoring and management

The trustees of the academy trust agree to monitor the academy trust's current and forecast financial position.

The board of trustees, and the Finance, Audit & Risk Committee, consider financial reports at least termly and take appropriate action to maintain a balanced budget.

The trust agrees to manage its cash appropriately, to avoid going overdrawn, and to abide by its contractual obligations. The trust has made arrangements to ensure that bank and control accounts are regularly reconciled.

3.6.1 Delegated Authority transactions

3.6.1 Delegated Authority Transactions

The trust may need to perform transactions outside the usual planned range of activities, but within the scope of 'Delegated Authorities' defined in Section 5 of the ATH 2026. These include write-offs and liabilities, special staff severance and compensation payments, acquisition/disposal of fixed assets, leasing, and gifts or hospitality.

General Principles

For all delegated authority transactions:

- The trust will pursue recovery of overpayments where practical and legally feasible
- Write-offs will only be considered after careful appraisal and where no feasible alternative exists
- Liabilities will be assessed for value for money before acceptance
- Total annual income is defined as grant income in the trust's last audited accounts
- Gifts and hospitality must be recorded in a register and comply with the trust's policy on conflicts of interest
- DfE approval may be required for certain transactions (contact: academyquestions@education.gsi.gov.uk)

a) Write-offs and Liabilities

DfE approval is required for write-offs and liabilities beyond these delegated limits:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction
- Cumulatively, 2.5% of total annual income (max £250,000) per year for trusts without two years of timely, unqualified audited accounts
- Cumulatively, 5% of total annual income (max £250,000) per year for trusts with two years of timely, unqualified audited accounts

The trust will pursue all reasonable recovery action before writing off debts. Write-off amounts are stated after any insurance claims.

b) Special Staff Severance Payments

Special staff severance payments are paid to employees outside statutory or contractual requirements when leaving employment. They differ from ex gratia payments.

Value for Money and Documentation
The trust must apply the same scrutiny to all severance payments (regardless of value) and clearly record:
- Management and approval process
- Legal advice sought
- Reasons for the decision and alternatives considered
- Supporting evidence and financial analysis
- How value for money was ensured

Documentation must be retained for 6 years and available for audit.

Decision-Making Process
Before making a special severance payment, the trust must consider:
- Whether the payment is in the trust's interests
- Whether it is justified based on legal assessment of tribunal prospects
- That the settlement level is less than the likely tribunal award

Special severance payments will not be made as a reward for failure (gross misconduct or poor performance), except where legal advice indicates procedural errors make tribunal success likely.

DfE Approval Thresholds
The trust has delegated authority for special severance payments where the non-statutory/non-contractual element is under £50,000.

DfE prior approval is required where:
- The non-statutory/non-contractual element is £50,000 or more
- An exit package including special severance is £100,000 or more
- The employee earns over £150,000

Confidentiality Clauses
Confidentiality clauses in special severance payments must be referred to DfE for approval. All confidentiality clauses must not prevent whistleblowing or DfE access to information, and must be reviewed by legal advisors.

c) Compensation Payments
Compensation payments provide redress for loss or injury (e.g., personal injuries, property damage). Decisions must be based on careful appraisal, legal advice, and value for money.

The trust has delegated authority for compensation payments where the non-statutory/non-contractual element is under £50,000. DfE approval is required for payments of £50,000 or more.

d) Ex Gratia Payments
Ex gratia payments go beyond statutory or contractual cover (e.g., payments for official failure or delay). These are separate from severance and compensation payments.

All ex gratia transactions require DfE prior authorisation (HM Treasury approval may also be needed).

e) Acquisition and Disposal of Fixed Assets
DfE approval is required for:
- Acquiring or disposing of freehold land or buildings
- Disposing of heritage assets beyond funding agreement limits

Other fixed assets can be disposed of without DfE approval, subject to achieving best price and maintaining regularity, propriety, and value for money.

f) Leasing
DfE approval is required for:
- Finance leases (which are a form of borrowing)
- Leaseholds/tenancies on land or buildings for more than 7 years (taking up) or 5 years (granting)

Operating leases on assets other than land and buildings do not require DfE approval. All leases are disclosed in annual accounts.

g) Gifts and Hospitality
The trust maintains a policy on gifts and hospitality to ensure no undue influence is applied by suppliers. All gifts and hospitality received or given must be recorded in a register, be reasonable in value, and comply with principles of regularity and propriety.

3.6.2 Disclosure

Irrespective of whether the Secretary of State's approval is required, INSPIRE will ensure that:

- spending has been for the purpose intended and there is probity in the use of public funds;
- relevant professional advice is obtained where appropriate, including that of their external auditor where necessary;
- spending decisions represents value for money, and are justified as such;
- internal delegation levels exist and are applied within the trust;
- a competitive tendering policy is in place and applied; and
- the trust discloses aggregate figures for transactions of any amount in their annual accounts. In addition, separate disclosure is required in the annual accounts of each transaction covered in section ATH 2026 5.2 above £5,000.

The following transactions will be disclosed in total, and individually:

- special payments – staff severance, of any value.

Other than what is required under financial reporting standards, the Charities SORP and the Academies Accounts Direction, disclosure can be anonymised.

3.6.3 Related party relationships

Academy trusts must be even-handed in their relationships with connected parties by ensuring that:

- trustees understand and comply with their statutory duties as company trustees to avoid conflicts of interest, not to accept benefits from third parties, and to declare interest in proposed transactions or arrangements;
- all members, trustees, local governors of academies within the academy trust, and senior employees have completed the register of interests retained by the trust, in accordance with sections 5.45 to 5.48 of the ATH 2026, and there are measures in place to manage any conflicts of interest;
- no member, director, local governor, employee or related individual or organisation uses their connection to the trust for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the trust;
- there are no payments to any director by the trust unless such payments are permitted by the articles, or by express authority from the Charity Commission and comply with the terms of any relevant agreement entered into with the Secretary of State. Trusts will in particular need to consider these obligations where payments are made to other business entities who employ a director, are owned by a director, or in which a director holds a controlling interest;
- the Charity Commission's prior approval is obtained where the trust believes a significant advantage exists in paying a director for acting as a director; and
- any payment provided to the persons referred to in section 5.49 satisfies the 'at cost' requirements in the ATH 2026.

The board of trustees must ensure that the requirements for managing related party transactions are applied across the trust. The chair of the board of trustees and the accounting officer must ensure that their capacity to control and influence does not conflict with these requirements. They must manage personal relationships with connected parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the seven principles of public life.

The academy trust recognises that some relationships with related parties may attract greater public scrutiny, such as:

- transactions with individuals in a position of control and influence, including the chair of the board of trustees and accounting officer;
- payments to commercial organisations which have a profit motive, as opposed to those in the voluntary sector; and
- relationships with external auditors that go beyond their duty to deliver a statutory audit.

The trust must maintain sufficient records, and make sufficient disclosures in their annual accounts, to evidence that transactions with these parties, and all other related parties, have been conducted in accordance with the high standards of accountability and transparency required within the public sector.

For transactions with related parties that are novel and/or contentious. The trust will obtain prior approval for any contracts and other agreements regardless of value. Approval will be sought using the DfE's enquiry form. Trusts should carefully consider the impact of this requirement and its relevance to transactions involving the chair of the board and/or the accounting officer.

The trust must report all contracts and other agreements with related parties to DfE in advance of the contract or agreement commencing, using DfEs related party on-line form. This requirement applies to all such contracts and agreements made.

The trust must seek DfE's prior approval, using DfE's related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party agreed where any of the following limits arise:

- a contract or other agreement exceeding £20,000
- a contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with related party exceeds, or continues to exceed, £20,000 in the same financial year ending 31 August.

Register of Interests

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 members, trustees, governors and staff with significant financial or spending powers are required to declare 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.

The register includes all relevant material interests such as trusteeships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the school. The disclosures also include business interests of close family relationships between the trust's members, trustees or local governors. Please refer to 5.49 ATH 2026 for a full definition of 'close family relationships'..

In addition to this, trustees, governors and staff are required to declare interests whenever they are relevant to matters being discussed by the board of trustees or a local governing body committee. Where an interest has been declared, trustees, governors and staff are asked not to attend that part of any committee or other meeting.

(Section 5.45 – 5.48 of the ATH 2026 provides further stipulations and guidance regarding the Register of Interests)

Trading with related parties

INSPIRE agrees to pay no more than 'cost' for goods or services ('services' do not include services provided under a contract of employment): provided to it by the following persons ('persons' meaning both individuals and organisations):

- any member or trustee of the academy trust;
- any individual or organisation connected to a member or trustee of the academy trust (see specific definitions in Section 5.49 of the ATH 2026)

A body is related to another individual or organisation if it: is controlled by the individual or organisation; or controls the organisation; or is under common control with the individual or organisation. For these purposes control means:

- holding more than 20% of the share capital (or equivalent interest); or
- having the equivalent right to control management decisions of the body; or
- having the right to appoint or remove a majority of the board or governing body.

The 'at cost' requirement applies to contracts for goods and services from a related party:

- agreed by the academy trust on or after 7 November 2013; and
- exceeding £2,500, cumulatively, in any one financial year of the trust.

For these purposes, where a contract takes the trust's cumulative annual total with the connected party beyond £2,500, the element above £2,500 will be at no more than cost.
In relation to organisations supplying legal advice or audit services to the academy trust, the 'at cost' requirement applies where the organisation's partner directly managing the service is a member or trustee of the trust, but not in other cases for those organisations. The published ethical standards for auditors prevent partners or employees of the audit firm from acting as a trustee of their client trust, but not other trusts.

The 'at cost' requirements do not apply to the trust's employees unless they are also one of the parties described in section 5.49 of the ATH 2026.

INSPIRE will ensure that any agreement with an individual or organisation referred to in section 5.49 to supply goods or services to the trust is properly procured through an open and fair process and is:

- supported by a statement of assurance from that individual or organisation to the trust confirming that their charges do not exceed the cost of the goods or services; and
- on the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply.

For these purposes the cost will be the 'full cost' of all the resources used in supplying the goods or services. Full cost includes:

- all direct costs (the costs of any materials and labour used directly in producing the goods or services); and
- indirect costs (comprising a proportionate and reasonable share of fixed and variable overheads).

Full cost must not include an element of profit.

Should any staff/personnel of an individual or organisation referred to in section 5.49 be based in, or work from the premises of, the academy trust, that individual / organisation and the trust will agree an appropriate sum to be paid to the trust for such use/occupation of the premises, save to the extent that they are carrying out work for the trust.

Whilst these provisions do not apply to contracts of employment, the same principles of securing value for money and using public money properly, including managing conflicts of interest, will still apply. Salaries paid will be appropriate to the individual's skills and experience and the salary rates paid in the wider market.

3.6.4 Novel, contentious or repercussive transactions

Novel payments or other transactions are those in which the academy trust has no experience, or are outside the range of normal business activity for the trust. Contentious transactions are those which might give rise to criticism of the trust by the public or the media. Repercussive transactions are those likely to set a precedent and cause pressure on other trusts or the broader public sector to take a similar approach and hence have wider financial implications, including where a trust's proposal could cause additional costs to arise for other parts of government.

INSPIRE agrees that any potentially novel contentious or repercussive transactions must always be referred to the DFE for explicit prior authorisation. The request must be made to, and approved by the DfE before the transaction is agreed and before the transaction occurs. If there is any doubt about the propriety of a payment the academy trust will seek advice from the DFE.

3.6.5 Financial Notices to Improve and Formal Directions

ATH 2026

Financial Notices to Improve (FNtI)
Where the DfE has concerns about financial management and/or governance, it may issue and publish a Financial Notice to Improve. If INSPIRE is subject to an FNtI, all delegated authorities in Part 2 of the ATH are revoked and all transactions must receive DfE approval. Delegated authorities will be returned once the terms of the FNtI are complied with.

Formal Directions
In accordance with the ATH 2026 and the Children's Wellbeing and Schools Act 2026, the Secretary of State may issue a formal direction (a legally binding instruction) if the trust breaches any duty in its funding agreement or the ATH.

If the trust receives a formal direction, the board must:
- Treat it with the utmost seriousness
- Take immediate action to comply
- Provide evidence of compliance to the DfE within the specified timescale
- Report progress to the full board at the next meeting

If the trust fails to comply, the Secretary of State can seek a court order to enforce the direction, issue an FNtI, terminate the funding agreement, or take other action to protect pupils and public funds.

Governance and Compliance
The Accounting Officer (CEO) is responsible for ensuring compliance with the funding agreement and ATH. If the Accounting Officer becomes aware of any actual or potential breach, they must notify the board immediately, advise on action needed, and notify the DfE if the board does not take appropriate action.

The board reviews compliance with the funding agreement and ATH at least termly as part of financial monitoring and governance oversight.

Further guidance on DfE intervention powers can be found in Section 6.17 to 6.19 of the ATH 2026.

3.7 Proper and regular use of public funds

The academy trust agrees it must be able to show that public funds have been used as intended by Parliament.

The academy trust has full authority to perform financial transactions which are deemed to be in the trust's normal course of business or within the delegated limits listed in part 5 of the ATH 2026.

Academy trusts must ensure that:

- spending has been for the purpose intended;
- no member, director, local governing body member, employee or related party gains from their position by receiving payment under terms that are preferential to those that would be offered to an individual with no connection to the trust. In exceptional cases, where there is a clear and significant advantage to the trust, a trustee may be paid for acting as a trustee subject to prior Charity Commission approval;
- all trustees have completed the Register of Business Interests kept by the Director of Finance and that there are measures in place to manage any conflicts of interest;
- there are no payment(s) to any director unless such payment(s) is/are permitted by the Articles and (where applicable) comply with the terms of any relevant agreement entered into with the Secretary of State. The latter includes situations where payments are made to other business entities who employ the director, are owned by the t, or in which the director holds a controlling interest;
- there is probity in the use of public funds;
- a competitive tendering policy is in place and applied; and
- there is no disposal of publicly funded assets (subject to the thresholds set out in the ATH 2026) without the Secretary of State's consent, through the DFE.

Where appropriate, INSPIRE will consider the range of public guidance available on public sector procurement requirements (including annex 4.4 of HM Treasury's Managing Public Money and DfE procurement guidance: 'Buying goods and services').

3.7.1 Procurement basics

The trust must ensure:

- Spending has been for the purpose intended and there is propriety in the use of public funds, including in relation to any actual or perceived conflicts of interest
- Spending decisions represent value for money
- Internal delegation levels are applied (see Appendix A 2.0 of this policy)
- A competitive procurement procedure is in place and follows the trusts operational procurement strategy document
- The procurement rules and thresholds in the Procurement Act 2023 and its associated regulations are observed (see 4.43 of this policy for thresholds)
- Appropriate due diligence is in place
- Professional advice is obtained where appropriate.

DfE-Backed Buying Opportunities

In accordance with ATH 2026 Section 2.27, the trust must actively consider DfE-backed buying opportunities when making purchasing decisions for goods and services, and **must** document these decisions.

The trust uses the "Buying for schools: how to buy what you need" tool to:

- Identify DfE-backed frameworks and deals
- Obtain value for money
- Apply relevant procurement regulations

Mandatory Procurement Frameworks
The trust **must** use the following DfE-approved frameworks unless it can demonstrate a cheaper, comparable alternative:

- Supply staff: Government Commercial Agency (GCA) approved framework (see Section 4.4.5)
- Energy contracts: DfE Energy for Schools service or DfE-approved energy deal (see Section 4.4.5)
- Management Information Systems (MIS: DfE MIS framework (by September 2027) (see Section 4.4.5)

Full details of mandatory procurement frameworks and documentation requirements are set out in Section 4.4.5.

3.8 Other Financial Considerations

3.8.1 Fees and charges

The academy trust will normally set fees for its chargeable services at full cost, but it may include an additional rate of return, when in a commercial environment. The fees and charges to be charged will be determined in accordance with chapter 6 of HM Treasury's Managing Public Money.

3.8.2 Whistleblowing

INSPIRE has a Whistleblowing policy which is made available to all staff on the central network area. This includes details of whom they can report their concerns to and the way in which such concerns will be treated.

3.8.3 Borrowing

Any restrictions on INSPIRE's power to borrow are set out in the FA. If needed, INSPIRE seek DfE's prior approval for both short-term borrowing (including finance leases and overdraft facilities) where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, and regardless of the interest rate chargeable.(INSPIRE is mindful that the Secretary of State's general position is that academy trusts will only be granted permission for borrowing in exceptional circumstances, although from time to time limited schemes may be introduced in order to meet broader policy objectives).

For the avoidance of doubt, finance leases are deemed to be a form of borrowing and therefore require the approval of the Secretary of State. Operating leases are not a form of borrowing and do not require the Secretary of State's approval. INSPIRE will take all steps to ensure that it can identify the type of any lease it is taking out, and if necessary, obtain professional advice.

Credit/Purchasing cards will only be used for business (not personal) expenditure, and balances cleared before interest accrues.

3.8.4 Managing surplus General Annual Grant (GAG)

INSPIRE understands that it is important that the grant is spent as needed to avoid excess calls on Exchequer funding and public borrowing. The DfE previously set limits on the amount of GAG that could be carried forward from one year to the next. These limits have now been removed so that academy trusts have the freedom to keep money aside for when it is needed most and to build up reserves, for example for long-term capital projects.
The DfE expects academy trusts to use their allocated funding for the full benefit of their current pupils. Therefore, it is important that, as/when the trust has a substantial surplus, it will devise a clear plan to illustrate how the surplus will be used to benefit its pupils.

INSPIRE agree to declare any unspent funds expected to be carried forward at the end of the financial year in the relevant budget forecasts submission to the DfE. INSPIRE agree to allow the DfE to verify the sums of unspent funds when it checks the trust's accounts and highlight and report, to the relevant DfE Boards, any cases where it has serious concerns about a long-term substantial surplus with no clear plans for use.

3.8.5 Electric Vehicle Salary Sacrifice Schemes

In accordance with the ATH 2026, INSPIRE may offer an electric vehicle salary-sacrifice scheme as a staff benefit without prior DfE approval, provided that:

- The trust carefully manages the risks to ensure no cost or liability falls on the trust if an employee doesn't fulfil their contractual obligations with the scheme provider
- The trust is not under a Notice to Improve (NtI)

If the trust decides to offer such a scheme, it must:

- Follow the DfE's electric vehicle salary sacrifice guidance
- Ensure robust contracts are in place with the scheme provider
- Conduct appropriate risk assessment and due diligence
- Ensure the scheme is managed in accordance with tax regulations and does not conflict with borrowing restrictions in the funding agreement

The decision to offer an EV salary sacrifice scheme must be approved by the Finance, Audit & Risk Committee before implementation.

4.0 FINANCIAL PROCEDURES

4.1 Accounting system

All the financial transactions of all the schools within the trust must be recorded on the PS Financials accounting system. The PS Financials system is operated by the Financial Management team and includes the following key elements:

- Income
- Staffing & Payroll
- Purchasing
- Payments
- Banking & Cash Management

Detailed information on the operation of the PS Financials system can be found in the user manuals held by the Finance Administrators and Director of Finance, these are accessed through the online support portal for the accounting system.

Administration
There is a clear audit trail for all financial transactions from the original documentation to accounting records. Finance records are stored for 7 years in accordance with the Companies Act. Only authorised staff are permitted access to the accounting records, which are securely retained when not in use.

Authorisation and supervisory controls ensure transactions are properly recorded or that errors are identified. All records are protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention.

Access Rights
The PS Financials 'System Administrator', currently the Director of Finance is responsible for setting access levels for all members of staff using the system. Access rights within the PS Financials system are defined for each user with a unique ID and password.

Back-up Procedures
PS Financials is cloud based and operated through a separate remote desktop through St Lawrence. The PS Financials cloud is backed up through IRIS directly as the cloud is not supported through LCS. Access to the PS Financials cloud server is accessed through a remote desktop based at St Lawrence school. The remote system is protected by robust back up procedures through ICT support services Laurel Consultancy Services Ltd (LCS).

Transaction Processing
- All journal transfers require signed authorisation by the Headteacher or the Director of Finance;
- Bank Transactions are input by the Finance Administrators/ (or upon advice from HR & Facilities Lead for payroll BACS process);
- Director of Finance obtains and reviews system reports to ensure only regular transactions are posted to the accounting system;
- The Finance Administrators ensure that reconciliations are performed each month for sales ledger control account, purchase ledger control account, payroll control account, debtor control account, all suspense accounts, bank balance per the nominal ledger to the bank statement and that any reconciling or balancing amounts are cleared. Any unusual or long outstanding reconciling items are brought to the attention of the Director of Finance; and
- The Director of Finance reviews and signs all reconciliations as evidence of review.

4.2 Income
The main sources of income for the school are the grants from the DFE and other outside agencies, together with delegated funding from the Local Authorities. The receipt of these sums is monitored directly by the Director of Finance who is responsible for ensuring that all income due to the school is identified and collected. All collections are receipted, recorded and banked promptly.

The school also obtains income from:

- pupils - mainly for uniform and school meals;
- parents - mainly for trips; and
- the public - mainly for lettings.

4.2.1 Cash receipts for uniform and school meals

The trust operates cashless as far as possible, however, for all cash and cheques received where no other formal documentation exists, separate records are maintained. All cash and cheques are kept in the Finance safe prior to banking. Banking takes place once a week, where needed, or more frequently if the sums collected exceed the £5,000 insurance limit on the Finance safe.

Monies collected are banked in their entirety in the appropriate bank account. The Finance Administrators are 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 promptly after each banking deposit and are reviewed and certified by the Director of Finance– whoever was not party to the original transaction.

4.2.2 Trips/Activities

The Educational Visits Co-ordinator (EVC) and appointed trip leader (named person on the risk assessment) are involved in the organisation of trips/activities for INSPIRE. The EVC takes responsibility for the collection of sums due. Finance Administrators have responsibility for trips administration. They must prepare a costing sheet giving an estimate of income and expenditure for the number of students going on the trip. Whilst there must be evidence to show that there is no intention to make a profit, due consideration needs to be given to cover costs, DBS safeguarding check costs, if necessary. The trip leader/EVC must advise the Finance Administrator which students are participating in the trip.
Students should make payments via the trust's online payment facility, ParentMail (BER & LAW) /School Money (AEG & WWS) . These monies will be monitored by the Finance Administrator daily.

The Finance Administrator will maintain an up to date record for each trip showing the amount paid and the amount outstanding. This record is sent to the trip leader and EVC, the EVC is responsible for chasing any outstanding amounts if applicable.

4.2.3 Lettings

The policy for lettings and charging of premises is contained in a separate document. The policy and charges is reviewed annually and approved by the Finance, Audit & Risk Committee

The Site Manager is responsible for maintaining records of bookings for facilities and for notifying the Finance Administrator of the amount due from each organisation to enable entry on the sales ledger on the school's accounting system. Wherever possible, payments are collected in advance.

4.2.4 Debtors

Debts under £500 may be written off by the CEO.

Debts over £500 may be written off only with the approval of the Finance, Audit & Risk Committee

Debts above the level detailed in the annual funding letter must be submitted to DFE for approval to be written off.

The Financial Management Team will be responsible for chasing outstanding debts.

The following debt recovery policy will be applied:

- If payment has not been received 30 days after invoice a first reminder will be sent requesting payment.
- If payment is not forthcoming after a further 30 days, a second reminder will be sent with a threat of further action (unspecified) to recover the debt if payment is not received within 7 days.
- If payment is still not forthcoming, a third reminder will be sent with a threat of legal action through the small claims court if payment is not received within 7 days.
- If payment is still not forthcoming the matter is reported to the Finance, Audit & Risk Committee to seek approval for proceeding with legal action through the small claims court.
- The current aged debtors report together with details of any debts outstanding and requests for debts to be written off will be provided for each Finance, Audit & Risk Committee meeting.

4.2.5 High Needs Funding and Local Authority Relationships

Statutory Duty to Cooperate with Local Authorities
In accordance with ATH 2026 Section 1.7, INSPIRE **must** work constructively and transparently with local authorities to support local arrangements and improve pupil outcomes, including place planning pressures and inclusion strategies.

This statutory duty means the trust will engage proactively with commissioning LAs, provide transparent information about capacity, costs, provision and outcomes, participate in LA place planning and inclusion strategies, and seek to resolve disputes through constructive dialogue.

The CEO is responsible for ensuring the trust fulfils this duty, with support from the Director of Finance and Headteachers. The board receives termly reports on LA relationships and compliance with this duty.

High Needs Funding
As a specialist SEND provision trust, the majority of INSPIRE's income is derived from high needs funding provided by local authorities, comprising:

- **Place funding** - Annual funding for commissioned places, paid in monthly instalments
- **Top-up funding** - Additional funding based on individual pupils' assessed needs as set out in their EHCPs

Funding Agreements and Monitoring
The Director of Finance maintains a register of all LA funding agreements, including commissioned places, funding rates, payment schedules, and contract terms. All funding agreements are documented in writing and reviewed annually.

The Finance Administrators are responsible for timely and accurate invoicing of place funding, top-up funding, and any additional agreed funding.

The Director of Finance monitors high needs funding monthly to ensure all expected funding is received, discrepancies are resolved promptly, and cash flow forecasts account for funding timing. Monthly reconciliations are reviewed by the CEO and reported to the Finance, Audit & Risk Committee termly.

Funding Disputes
Where funding disputes arise with LAs, the Director of Finance documents the dispute. The CEO engages with the LA to seek resolution, providing evidence of provision delivered, costs, and impact if funding is not agreed.

Significant funding disputes (exceeding £10,000 or impacting financial sustainability) are reported to the Finance, Audit & Risk Committee and, where appropriate, the full board. The trust maintains a register of funding disputes.

Proactive Engagement
The CEO and Director of Finance engage regularly with LA SEND teams and commissioners to provide transparent data on capacity, costs and outcomes, discuss anticipated demand, contribute to place planning, and identify collaboration opportunities. The trust participates in local SEND forums and strategic groups.

Governance and Reporting
The Finance, Audit & Risk Committee receives termly reports on high needs funding received vs. budgeted amounts, LA funding agreements, funding disputes and financial impact, risks to income from LA commissioning changes, and effectiveness of LA relationships.

4.3 Staffing & Payroll
The main elements of the payroll system are:

- staff appointments;
- payroll administration and
- payments.

Staff Appointments
The governing body must approve any school staffing structure changes, with due consideration for any recommendations from Finance, Audit & Risk Committee, who must ensure that adequate budgetary provision exists for any staffing changes.

The CEO has the authority to appoint staff once the staffing constitution has been approved. The HR Team will maintain personnel files for all members of staff, which include contracts of employment. All personnel changes must be notified, in writing, to the Director of Finance to enable budget monitoring of the salaries budgets.

Payroll Administration
INSPIRE's payroll is outsourced to 'HR Solutions' with effect from 1st July 2024.

All payroll transactions relating to school staff (permanent or casual) will be processed through the payroll system. Payments for employment will not be made to staff through any other mechanism.

All personnel files are stored in lockable cabinets on site at St Bernard's school and Warren Wood. Only the CEO, Headteachers, Director of Finance, HR Team have access to staff files but individuals can request to see their own files in line with data protection principles allowing for preparation time to ensure only their personal information is included.

The HR Team are responsible for keeping the staff personnel database up-to-date via behaviour watch and the HR Breathe database.

Payments and Monitoring of the Payroll
After the payroll has been processed, but before payments are dispatched, a copy of salary payments by individual and showing the amount payable in total will be obtained from the system. The copy must be reviewed and authorised by the Director of Finance or CEO, before the HR Team can instruct the payroll company to process the payments. All salary payments are made by BACS and this is conducted by the outsourced payroll company.

The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for: tax, National Insurance contributions and pensions. The amounts payable are summarised on the gross to net pay print out and the school is authorised to make monthly BACS payments from the INSPIRE bank account to the employees and pension agencies (TPA and LGPS) HM Revenue & Customs are paid by BACS. The Academy trust commits to ensuring that its senior employees' payroll arrangements fully meet their tax obligations and comply with HM Treasury's guidance and reporting requirements.

After the payroll has been processed the nominal ledger will be automatically updated. Postings will be made both to the payroll control account and to individual cost centres. The Director of Finance will review the payroll control account each month to ensure the correct amount has been posted from the payroll system, individual cost centres have been correctly updated and to identify any amounts posted to the suspense account.

The Finance Administrator will undertake a monthly reconciliation of employee salaries and on costs and advise of any variances, which will then be investigated by the HR Team and the Director of Finance. In addition to this, the Director of Finance will check each employee's payroll details to ensure that such costs are offset against the correct budget headings. Each term the Director of Finance and HR & Facilities Lead will check each

member of staff's gross pay against the payroll system against their respective contract of employment and investigate any variances.

4.3.1 Executive Pay and Senior Pay Controls

Executive Pay Increases
Executive pay (CEO, Headteachers, and senior leadership team) must not increase at a faster rate than the average teachers' pay increase across the trust, without clear justification and prior written DfE approval.

"Teachers' pay" means the average percentage increase in teachers' pay across the trust (including pay awards, incremental progression, and other increases). "Executive pay" includes basic salary and allowances, but excludes one-off performance-related payments.

Before implementing any executive pay increase exceeding the average teachers' pay increase, the board must prepare a clear justification (rationale, benchmarking evidence, value for money) and obtain prior written DfE approval (allowing at least 4 weeks for consideration).

DfE Approval Thresholds
DfE approval is required before advertising or committing to:

- New appointments or re-gradings with salaries exceeding £174,000 per annum (or pro-rata for part-time posts)
- Performance-related pay exceeding £25,000 to any individual in a single year

Submissions to DfE must include the proposed salary/payment, justification, benchmarking evidence (for salaries), performance criteria and evidence (for performance pay), job description and person specification (for new appointments), and demonstration of value for money.

Alternative Pension Schemes
The trust offers the Teachers' Pension Scheme (TPS) to eligible teaching staff and the Local Government Pension Scheme (LGPS) to eligible support staff, in accordance with statutory requirements.

If the trust wishes to offer an alternative pension scheme, it must seek DfE approval before communicating with staff. Submissions must include the proposed scheme and provider, rationale, comparison with TPS/LGPS (costs and benefits), value for money demonstration, and proposed communication plan.

Governance and Monitoring
The Finance, Audit & Risk Committee reviews executive pay annually as part of budget setting to ensure compliance with ATH requirements, value for money, and appropriate benchmarking.

Any proposals for executive pay increases exceeding teachers' pay increases, salaries over £174,000, or performance pay over £25,000 must be reviewed by the Finance, Audit & Risk Committee before submission to DfE for approval.

The Director of Finance is responsible for monitoring executive pay increases and ensuring compliance.

4.4 Purchasing

4.4.1 Value for Money statement

INSPIRE will achieve the best value for money for all purchases. This means that the school will always consider price, quality and fitness for purpose when purchasing goods or services and adhere to the principles of best value outlined below:

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

This is because a large proportion of the school's purchases will be paid for with public funds and it, therefore, needs to maintain the integrity of these funds. The academy trust's accounting officer agrees to complete and sign a short statement each year explaining how the trust has secured value for money. This will be sent to the DfE and published on the academy trust's website.

Value for Money in Specialist SEND Provision

As a specialist SEND provision trust, INSPIRE recognises that value for money is not solely determined by lowest cost. When procuring specialist services, resources, or expertise, the trust considers quality, appropriateness, specialist expertise, evidence of effectiveness, and potential impact on pupil outcomes alongside cost.

Where specialist suppliers are limited or collaborative procurement opportunities exist with other specialist SEND providers, the trust documents the rationale for procurement decisions and how they represent value for money in achieving the best outcomes for pupils within available resources.

4.4.2 Orders for Supplies & Services

The Director of Finance will ensure that there is a clear segregation of duties within the Finance team, such that one individual is not able to record a complete transaction. (See INSPIRE's Internal Control Framework and Segregation of Duties).

Official purchase orders will be raised using the school's financial accounting system, on receipt of a requisition form signed by the relevant Headteacher. Where the value of an order is over £1,000, the authorisation limits detailed in Appendix A must be followed and the documentation attached. Orders will be raised only documentation is in place and correct.

Telephone/direct verbal ordering will be permitted only in situations where raising an official order is not practicable and with prior approval from the Director of Finance. Full order details must be provided to the Finance Administrator so that the order can be input into the system under an official purchase order number.

There are designated purchase order windows where orders will be processed by the Finance Team. Dates of the windows are circulated with the staff teams at the start of the academic year.

4.4.3 Authorisation Limits

Please see Appendix A (Staffing & Limits of Delegated Authority) to ensure the correct approval has been obtained.

All orders are subject to the rules concerning quotes and tenders below. It is acknowledged that not all companies contacted to gain quotes from will respond, especially if the requisition is of specialist nature. Evidence of making contact with the required number of providers will be considered as part of the process.

Orders of £1,000 and below

Consideration to be given to alternative suppliers and evidence attached to requisition if available.

Orders over £1,000 but less than £2,500

At least two written/verbal quotations should be obtained for all orders to identify the best source of the goods/services. Written details of quotations obtained should be prepared and attached to requisition for audit purposes. Telephone quotes are acceptable if these are evidenced on the order requisition and faxed confirmation of quotes has been received before a purchase decision is made.

Orders over £2,500 (£5,000 works) but less than £10,000

At least three written quotations should be obtained for all orders to identify the best source of the goods/services. Written details of quotations obtained should be prepared and attached to the order requisition for audit purposes.

Orders over £10,000 – £50,000

A minimum of three formal quotations to be obtained in writing by a specified date and time, based on a written specification. Evidence to be attached to the requisition.

Orders over £50,000 – Public Contracts Regulations (PCR) applicable from 1 January 2024 (Supplies and Services £214,904; Utilities £429,809; Works £5,372,609)

Goods/services ordered with a value over £50,000, or for a series of contracts which in total exceed £50,000 must be subject to formal tendering procedures as detailed below.

All paperwork relating to the tender to be kept in the Finance Office.

Orders over EU Threshold

Purchases over the PCR Thresholds are by law subject to Public Contracts Regulations Directives for the advertising and award of contracts.

4.4.4 Tenders

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 CEO will discuss and agree with the Director of Finance how best to advertise for suppliers e.g. general press, trade journals, or to identify all potential suppliers and contact directly if practicable. 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 are 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. Two persons should be present for the opening and recording of tenders as follows: Director of Finance and CEO.

A record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

Tender Evaluation Procedures

The evaluation process should involve the Finance, Audit & Risk Committee and at least two representatives from the school, usually the CEO and the Director of Finance. 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 a verbal report should be made to the governing body highlighting the relevant issues and advising them of the decision.

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.

The accepted tender should be the one that is economically most advantageous unless it can be demonstrated that is not the best option for the school. All parties should then be informed of the decision.

4.4.5 Mandatory Procurement Frameworks

In accordance with the ATH 2026, INSPIRE must comply with specific procurement requirements for certain categories of goods and services.

DfE-Backed Buying Opportunities

The trust must actively consider DfE-backed buying opportunities when making purchasing decisions for goods and services. This consideration must be documented as part of the procurement process.

Before proceeding with any significant procurement, the relevant budget holder and Director of Finance must:

- Check the DfE's "Get help buying for schools" service for available frameworks and deals
- Document whether a DfE-backed option is available and suitable
- If not using a DfE-backed option, document the rationale for the alternative approach

This documentation must be attached to the purchase requisition and retained for audit purposes.

Supply Staff (Mandatory Framework)

The trust **must** use the Government Commercial Agency (GCA) approved framework for all supply staffing, including:

- Supply teachers
- Supply teaching assistants
- Supply administrative and support staff
- Any other temporary staffing obtained through agencies

The only exception to this requirement is if the trust has an alternative agreement where rates do not exceed those of the GCA framework. In such cases, the trust must:

- Obtain written confirmation from the alternative supplier that their rates do not exceed GCA framework rates
- Retain evidence of this comparison for audit purposes
- Review the comparison annually when contracts are renewed

The Director of Finance is responsible for ensuring compliance with this requirement and for maintaining evidence of GCA framework usage or approved alternatives.

Energy Contracts (Mandatory Framework)

When renewing energy contracts (electricity and gas), the trust **must** use either:

- The DfE Energy for Schools service; or
- A DfE-approved energy deal

The only exception to this requirement is if the trust can prove it has sourced a cheaper, comparable alternative. To use an alternative supplier, the trust must:

- Obtain written quotes from both the DfE Energy for Schools service (or DfE-approved deal) and the alternative supplier
- Demonstrate that the alternative is cheaper on a like-for-like basis (including all costs and charges)
- Document the comparison and obtain approval from the Finance, Audit & Risk Committee before proceeding
- Retain all evidence for audit purposes

The Director of Finance is responsible for managing energy contract renewals and ensuring compliance with this requirement. Energy contracts must not be renewed without this process being completed.

Management Information Systems (MIS) Contracts

All management information system (MIS) contracts must align with the DfE's MIS framework by September 2027.

For any MIS contracts being negotiated or renewed before September 2027:

- Transitional contracts must be limited to a maximum of 12 months where possible
- If a contract of 12 months or less is not possible, the trust may only proceed where the supplier agrees to the DfE's latest MIS contractual principles (available via Get help buying for schools)
- The Director of Finance must obtain written confirmation from the supplier that they agree to these principles
- All MIS contracts must be reviewed by the Finance, Audit & Risk Committee before being signed

By September 2027, all MIS contracts must fully align with the DfE's MIS framework. The Director of Finance will report progress towards this requirement to the Finance, Audit & Risk Committee regularly.

Specialist SEND Procurement

The trust recognises that some specialist SEND procurement may not be covered by DfE frameworks (e.g., specialist therapy services, specialist equipment, niche training). In such cases:

- The trust must still check whether DfE-backed options are available

- If no suitable DfE-backed option exists, this must be documented
- The trust will apply its standard procurement procedures (as outlined in Sections 4.4.1 to 4.4.4)
- The rationale for the procurement approach must be clearly documented, including why DfE frameworks are not suitable

4.5 Payments

Invoices will be paid when the goods or services have been received and are of the quality expected. Any discrepancies must be notified to the Finance Administrators for appropriate action to be taken.

No photocopied or faxed invoices will be paid, but invoices sent electronically by email are acceptable.

At least two different people must be involved in the process of agreeing invoices and authorising payment.

Wherever possible payments will be made by BACS, but cheques will be issued if this is not an option.

The Finance Administrators will ensure that cheques, where used, are sent out with the required number of signatures and that all controlled stationery is recorded and stored in a locked cupboard.

All cheques and cash are to be stored in the safe and the keys held within a locked cabinet.

4.5.1 Use of Purchasing Card

INSPIRE uses Purchasing Cards for each respective site, the Director of Finance and CEO hold cards that are linked to the trust. These are linked to the academy's main account which are charged to the account each month. This is for use when it is not possible to purchase goods using the purchase order system. Cardholders keep a log of the items purchase on the card and these are submitted to the Finance Administrators and Director of Finance upon their use. There is a maximum monthly limit of £1,000 per card.

Debit Cards and Cash Withdrawals

The trust holds debit cards on the academy bank accounts to facilitate cash withdrawals where necessary. All cash withdrawal requests must be approved in advance by authorised signatories in line with the bank signatory requirements. A record must be kept of all cash withdrawals, including the date, amount, purpose, and authorising signatories.

4.5.2 Use of Staff Debit/Credit cards for payments

Where staff have been unable to use the Purchasing card, depending on its circumstances, purposes and risk profile, INSPIRE will consider permitting staff to make payments by debit or credit cards. In so doing, it will give due consideration to guidance on the use of debit/credit cards contained in HM Treasury's Managing Public Money. Parliament expects academy trusts, like other public sector bodies, to make shrewd and well-informed decisions based on

sound commercial principles. This may include setting up direct debits so that credit card balances are repaid in full each month. This can also ensure that the trust's use of credit cards does not conflict with any restrictions on borrowing set out in their funding agreement.

4.5.3 Payments to Individuals

Payments can be made to individuals on production of an invoice. An enquiry must be carried out on the individual using the HMRC, Employment Status Indicator Tool. The link is: https://esi2calculator.hmrc.gov.uk/esi and a reference number will be given for each enquiry.

4.6 Capital Development Plans

The ability of the school to improve, expand or adapt its buildings and environs is dependent upon the level of capital funding available. The main source of capital income is Devolved Formula Capital (DFC). Capital expenditure is generally funded by DFC and 'Revenue Contributions to Capital' – approved virements from the main revenue budget.

The school reviews capital development priorities for ICT and Premises. These are scrutinised by the Finance, Audit & Risk Committee and written into the annual budget under 'Capital Income' and 'Capital Expenditure' headings, for approval by the governing body.

5.0 BANKING & CASH MANAGEMENT

The trust should properly control the operation of bank accounts and reconcile bank balances with its accounting records.

5.1 Bank Accounts

The opening of all accounts must be authorised by the board of trustees who must set out the arrangements covering the operation of accounts in the Scheme of Delegation (Appendix A) This should include 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.

5.2 Deposits

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

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

5.3 Payments and withdrawals

All cheques and other instruments authorising withdrawal from school bank accounts must bear the signatures in line with the Scheme of Delegation outlined in Appendix A.

5.4 Bank Reconciliations

The Director of Finance will ensure bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures will ensure that:

- all bank accounts are reconciled to the school's computerised ledger;

- reconciliations are prepared by the Finance Administrators;
- reconciliations are subject to an independent monthly review carried out by the Director of Finance/CEO and subsequently confirmed to the Chairman of the Finance, Audit & Risk Committee; and
- adjustments arising are dealt with promptly.

5.5 Petty Cash Accounts

The petty cash is administered by the Finance Administrators and is kept in the respective Finance safe. Headteacher may authorise the use of petty cash for items of expenditure. Payments of petty cash will **not** be made without receipts and signed authorisation from the relevant Budget Holder. The limit for petty cash purchases is £20.00, but the Director of Finance may authorise an increase in this limit in special circumstances. VAT receipts will be obtained for purchases where appropriate.

When it is necessary for staff to have access to money during a school visit, every effort will be made to minimise the amount of cash being carried by using a prepaid card. Authorisation for cash to be taken may be given by the Headteacheror the Director of Finance. The amount authorised will be consistent with the budget previously approved for the visit or similar visits.

The Finance Administrator is responsible for entering all transactions into the petty cash records on a regular basis. Both regular and unannounced cash counts will be undertaken by the Finance Administrator to ensure that the cash balance reconciles to its supporting documentation. Reconciliations of petty cash much be countersigned by Director of Finance. Petty cash will be held in a lockable cash box which is put in the safe overnight.

5.6 Cash Flow Forecasts

The trust should manage its cash position, avoid going overdrawn, and reconcile bank and control accounts regularly.

The Director of Finance is responsible for preparing monthly cash flow forecasts to ensure that the school has sufficient funds available to pay for day-to-day operations. If significant balances can be foreseen, steps should be taken to invest the extra funds and if a shortfall is forecast the CEO must be informed to ensure remedial action is taken.

6.0 OTHER FINANCIAL MATTERS

6.1 Reserves & Investments

Revenue Reserves

INSPIRE aims to build and maintain revenue reserves of between 3-5% of annual revenue to provide flexibility and certainty in forward planning.

As a specialist SEND provision trust dependent on LA commissioning and high needs funding, the trust maintains reserves to manage specific risks including:

- Timing differences between incurring costs and receiving LA funding
- Fluctuations in commissioned places and pupil numbers
- Unexpected increases in complexity of needs requiring additional provision

- Funding disputes and negotiations with LAs
- Operational contingencies (specialist equipment, urgent adaptations, specialist staff recruitment)

The Finance, Audit & Risk Committee reviews the adequacy of reserves annually as part of budget setting, taking into account the specific risks of specialist SEND provision, historical experience, dependency on specific LAs, and anticipated changes in LA commissioning. The committee may recommend reserves higher than 3-5% where specific risks warrant additional contingency.

Capital Reserves
INSPIRE aims to build and maintain capital reserves of 1% of annual revenue for capital projects, subject to any DfE limits on carry forwards. Capital reserves are used for specialist facility adaptations, specialist equipment and assistive technology, ICT infrastructure, and health and safety improvements specific to specialist provision.

Capital reserves are planned and managed in line with the trust's capital development priorities (see Section 4.6) and reviewed annually by the Finance, Audit & Risk Committee.

Investment of Reserves
Reserve funds are invested in accordance with the trust's Investment Policy, which is reviewed and approved annually by the board of trustees.

The trust uses the Insignis platform, a DfE-approved cash savings platform, to manage its reserves and investments. The Insignis platform provides access to competitive savings rates from multiple UK-regulated banks, spreads funds across multiple institutions to maximise FSCS protection, and simplifies cash savings management while maintaining security and liquidity.

In accordance with ATH 2026, the trust prioritises security of capital, liquidity (ensuring reserves can be accessed when needed), and return on investment (maximising interest while maintaining security and liquidity).

The Director of Finance conducts risk assessments of investment decisions, monitors investments monthly, reports to the Finance, Audit & Risk Committee termly (including funds invested, interest earned, and ongoing risks), and reviews investment arrangements annually.

Any investments outside standard bank deposit accounts or the Insignis platform require prior approval from the Finance, Audit & Risk Committee in accordance with the Investment Policy. The trust will not engage in speculative investments or investments carrying significant risk of capital loss.

Reporting and Transparency
The trust's reserves and investment position is reported to the Finance, Audit & Risk Committee and full board termly, disclosed in annual accounts with explanation of purpose and adequacy, and included in the annual funding distribution statement (see Section 3.6.6).

6.2 Asset Management

All freehold land and building asset additions in excess of £5,000 and all equipment and vehicle asset additions in excess of £500 are capitalised.

6.2.1 Asset register

All items purchased with a value over £500 (the school's capitalisation limit) must be entered in an asset register, which is held within the school's Asset Management software. For the full procedure and details please see the Asset Management Policy.

The asset software includes the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DFE grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

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.

6.2.2 Security of assets

Stores and equipment must be secured by means of physical and other security devices.

All of the items in the register should be permanently and visibly marked as the school's property and there will be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register will be investigated promptly and, where significant, reported to the Finance, Audit & Risk Committee. Inventories of school property will be kept up to date and reviewed regularly. Where items are used by the school, but do not belong to it, this will be noted.

6.2.3 Disposal of assets

Items which are to be disposed of by sale or destruction must be authorised for disposal by the CEO and, where significant, should be 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 not encouraged, as it may be more difficult to evidence that the school obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the school would need to ensure licences for software programmes have been legally transferred to a new owner.

Where items of equipment are disposed of to staff, the following disclaimer will apply:
"Items purchased / obtained from INSPIRE are on a 'bought as seen' basis with no warranty as to their fitness for purpose or likely lifespan."

Staff will be required to complete and sign a form (Appendix C) which states:
I/we the undersigned take ownership of the above item(s) at own risk and understand that INSPIRE accepts no liability for any damage or injury caused to persons or property resulting from the transportation, storage or use of the item(s) listed above."

The school 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.

6.2.4 Loan of assets

Items of school property must not be removed from school premises without the authority of the appropriate Line Manager. A record of the loan must be recorded in a loan book and booked back in to school when it is returned.

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 school's auditors.

6.2.5 Depreciation of assets

INSPIRE will depreciate fixed assets in line with recognised accounting standards, academy best practice and DfE guidelines. Depreciation rules will be approved by the governing body in advance of preparing the annual accounts in the first year of operation. Any revisions thereafter will be approved by the board of trustees.

Depreciation is provided for at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

- Freehold property - 2% on cost
- Long-term leasehold property - 2% on cost
- Motor Vehicles - 25% on cost
- Fixtures and fittings - 10% on cost
- Computer equipment - 25% on cost
- Assets under construction - 0% on cost

Freehold/Leasehold buildings and land are not depreciated on the grounds of immateriality.

6.3 School Companies Policy

INSPIRE will not form any companies, subsidiaries or joint ventures without the approval of the board of trustees.

6.4 VAT and taxation

The school works to ensure compliance with VAT and other applicable tax regulations. The school is not registered for VAT at present, but will regularly review this. Under the new legislation, VAT Claims can be made according to the simplified arrangement as detailed in the VAT Information Sheet 09/11 issued June 2011. Claims are made by electronic submission monthly to HMRC.

6.5 Data Protection

The school is fully committed to compliance with the requirements of the Data Protection Act 1998 ("the Act"), which came into force on the 1st March 2000. The school will, therefore, follow procedures that aim to ensure that all employees, pupils, contractors, agents, consultants, partners or other members of the school community who have access to any personal data held by or on behalf of the school, are fully aware of and abide by their duties and responsibilities under the Act.

These procedures are outlined in the INSPIRE Data Protection Policy, which is reviewed on an annual basis.

7.0 AUDIT REQUIREMENTS

Academy trusts are subject to audit and review to give assurance to Parliament and the public that public funds are being used for the purpose intended.

7.1 Statutory audit

As set out in part 6 of the ATH 2026, because academy trusts are required by law to produce audited accounts, the members of the trust (or the board of trustees, to the extent permitted under the Companies Act) have appointed Forrester Boyd (of 139 Eastgate Louth) as their statutory auditors who are registered under the requirements of the Companies Act, to conduct an audit (which is in compliance with the requirements of the Companies Act) and certify whether the accounts are "true and fair".

The contract for the audit is in writing, in the form of a letter of engagement. The letter of engagement only covers the external audit. If additional services are to be purchased, a separate letter of engagement will be obtained which must specify the precise requirements of the work and the fees to be charged.

The letter of engagement includes provision for the removal of auditors before the expiry of the term of office in exceptional circumstances, notwithstanding the other terms of the contract. Proposals to remove auditors must require a majority vote of the trustees, who must provide reasons for their decision. If the auditors resign, there must be a requirement for them to provide the trust with an explanation within 14 days of their resignation.
The board of trustees agrees to notify the DfE immediately of the removal or resignation of auditors. In the case of removal, the trust board will notify the DfE of the reasons for the

removal. In the case of resignation, auditors must copy to the DfE a statement of explanation from the auditors.

7.2 Regularity audit

7.2.1 Accounting officer's statement

INSPIRE agree that their accounting officer will prepare a statement on regularity, propriety and compliance to be included in the academy trust's annual report. This is a formal declaration by the trust's accounting officer that they have met their personal responsibilities to Parliament for the resources under their control during the year. It includes a responsibility to ensure that public money is spent for the purposes intended by Parliament (regularity) and a responsibility to ensure that appropriate standards of conduct, behaviour and corporate governance are maintained when applying the funds under their control (propriety), a responsibility to ensure good value for money and for the efficient and effective use of all the resources in their charge. The accounting officer also has a responsibility to advise the board of trustees and the DfE of any instances of irregularity or impropriety, or non-compliance with the terms of the trust's funding agreement. The format of the statement is included within the DfE's Accounts Direction which is issued annually.

7.2.2 Auditor's review of regularity

A review of the accounting officer's statement is included within the remit of the academy trusts' external auditors. The auditor's conclusions on regularity will be addressed jointly to the trust and to the Secretary of State through the DfE. The DfE will draw formal assurance from this regularity audit. Further information is included in the Accounts Direction.

7.3 DfE financial management reviews

In order to gain assurance over the adequacy of financial arrangements governing the use of public funds by academies, the DfE will conduct financial management reviews. These will examine whether the systems and control mechanisms that exist in each trust meet the requirements set out in the Handbook. INSPIRE agree to engage with such reviews as/when required.

INSPIRE completes the School resource management self-assessment tool on an annual basis and submits the completed checklist to the DfE by the published deadline.

7.4 Audit access rights & provision of information

From time-to-time, the DfE or its agents may carry out audits at the academy trust. The trust will provide the DfE with access to all books, records, information, explanations, assets and premises.

The trust will retain all records necessary to verify the provision delivered by it (or its subcontractors) in relation to its FA and the ATH and will retain such records for at least six years after the end of the period to which funding relates.

The trust will comply with all DfE information requests, as specified in Section 6.4 of the ATH 2026 –Access rights

7.5 Fraud, theft, irregularity and cyber crime

INSPIRE is aware of the risk of fraud and irregularity occurring and, as far as possible, addresses this risk via its' internal control and assurance arrangements - putting in place proportionate controls. INSPIRE agrees to take appropriate action where fraud and irregularity is suspected or identified.

The trust will notify DfE, as soon as is operationally practical based on its particular circumstances, of any instances of fraud or theft exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. Any unusual or systematic fraud, regardless of value, must also be reported. The following information is required:

- full details of the event(s) with dates;
- the financial value of the loss;
- measures taken by the trust to prevent recurrence;
- whether the matter was referred to the police (and why if not); and
- whether insurance cover or the risk protection arrangements have offset any loss.

INSPIRE understands that the DfE will not tolerate fraud and respects the DfE's right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity, in any academy trust either as the result of a formal notification from the trust itself or as the result of other information received. DfE may involve other authorities, including the police, as appropriate. DfE

The trust is aware of the risk of cyber-crime, and will put in place proportionate controls and take appropriate action where a cyber-security incident has occurred.

INSPIRE must not pay any cyber ransom demands. The DfE supports the National Crime Agency's recommendation not to encourage, endorse, or condone the payment of ransom demands. Payment of ransoms has no guarantee of restoring access or services and is likely to result in repeat incidents.

7.6 Internal audit

INSPIRE employs the services of an independent firm of Internal Auditors – MLG Education Services . The Internal Auditor undertakes an internal audit on behalf of the board of trustees to test and check financial controls, systems, transactions and risks. The Internal Auditor's work is documented and circulated to the full governors (see Specific Responsibilities outlined in Section 2.6 of this policy).

The work of the Internal Auditor is directed by the Finance, Audit & Risk Committee appointed by the governing body.

INSPIRE manage this programme of risk review and checking of financial controls through a combination of:

- an independent, bought-in internal audit service (Internal Audit service) – outlined above; and
- a supplementary programme of work by the trust's external auditor.

The adequacy of these arrangements has been established as part of the process leading to the accounting officer's annual statement, or, where appropriate, through the self-assessment review of financial management and governance.

Appendix A – Staffing & Limits of Delegated Authority

1.0 The Financial Management Team

Mr David Rhodes – Chairman of Trustees
Mrs Leanda Mason – CEO
Ms Kimberley Jacklin – Director of Finance
Mrs Dawn Saxby – Finance Administrator – St Lawrence & St Bernard's School
Mrs Melissa Trestrail – Finance Administrator – St Lawrence & St Bernard's School
Miss Charlotte Larter – Finance Assistant – Central Team
Mrs Heather Neville – Finance Administrator – Aegir & Warren Wood School
Mrs Lisa Johnston – Finance Administrator - Aegir & Warren Wood School
Mrs Kay Smith – HR & Facilities Lead (with specific responsibility for payroll/pensions)
Mrs Emily Smith – HR Administrator
Mrs Laura Guilliat – HR Administrator

2.0 Limits of delegated authority

Purchasing
The financial limits of delegated authority as approved by the board of trustees for entering into commitments and ordering goods and services are as detailed below:-

CEO	£5,000 and over
Director of Finance	£2,500 - £5,000
Headteacher	£1,000 –£2,500
HR & Facilities Lead	£2,500
Finance Administrator	£1,000

Payments
Cheques - All cheques raised up to £5,000 require two signatures, to include an authorised signatory from the Headteacher. All cheques raised above £5,000 will be authorised by the CEO and the Director of Finance.

Appendix C – Disposal of Assets Disclaimer Form

Vendor:	**INSPIRE Connected Communities Trust**
Site:	
Department:	
Budget Holder:	

Full Description of Item(s) for Disposal

Item	Type / model	Identifying features / serial number, etc.

Items are purchased / obtained from INSPIRE Connected Communities Trust are on a 'bought as seen' basis with no warranty as to their fitness for purpose or likely lifespan.

I/we the undersigned take ownership of the above item(s) at own risk and understand that INSPIRE Connected Communities Trust accepts no liability for any damage or injury caused to persons or property resulting from the transportation, storage or use of the item(s) listed above.

Signed:	
Organisation:	
Date:	
Position:	