



Guidance

School Centred Initial Teacher Training (SCITT) providers financial handbook

Published 31 July 2019

Contents

[Introduction](#)

[Roles and responsibilities](#)

[Financial and governance requirements](#)

[Delegated authorities](#)

[DfE assurance of funds](#)

[Explanation of terms](#)

[Further information](#)

Introduction

The Department for Education (DfE) funds Initial Teacher Training (ITT) [providers](#) that train teachers.

Initially, DfE assesses proposed providers' provision, management structure, financial viability and capability to deliver ITT.

Successful [ITT providers](#) are then [accredited by the Secretary of State for Education](#), following a recommendation from the DfE Market Regulation Team.

When accredited, providers sign a [grant funding agreement](#) (GFA) with DfE that sets out the terms and conditions of funding. This includes the governance and financial accountability expected of them.

School Centred Initial Teacher Training (SCITT) providers operate under an ITT provider. They are not a legal entity in their own right.

As a SCITT provider, you are required to have good governance and financial management to ensure [public funds](#) are spent for the purposes intended. You should also understand the expectations of Parliament and the public.

Your [governing body](#) should:

- adopt the principles in this guide
- incorporate the [7 principles of public life](#) in decision-making, to encourage it to think about its role and protect your public and reputational assets

The education system is quickly changing and governance is an important issue for providers to address. This guide:

- aims to build on and strengthen governance
- recognises that providers should review their [effectiveness](#), impact, and standards of governance and accountability

Compliance with this guide is not mandatory, but you are strongly encouraged to follow its recommendations as it:

- promotes best practice from the sector
- aims to support the achievement of objectives for ITT providers

Roles and responsibilities

Responsibilities of DfE

DfE is responsible and accountable for public money distributed to SCITT providers, and for ensuring that:

- all resources are managed in an effective and proper manner
- [value for money](#) is secured

DfE's accounting officer is responsible and accountable to Parliament for how DfE uses funds.

The accounting officer should be satisfied that you:

- have arrangements for sound governance and financial management
- are using public money for the purpose for which it was intended

Your responsibilities

Your financial management requirements are defined in your GFA. The most significant are to:

- maintain a system of internal financial management and controls, including safeguards against fraud and theft

- ensure DfE funding is used for intended purposes
- ensure the financial returns required under the terms of your GFA are made to DfE
- maintain a complete set of financial records with audit trails
- retain student records such as interviews, qualifications, attendance and photo identification

DfE looks to a number of organisations, which are detailed below, to ensure that SCITT providers comply with their GFA.

This guide provides direction on best practice. It does not replace or supersede the agreements or mandatory requirements set by your funding body. These include:

Academies and colleges

SCITT providers accredited to academies and colleges should comply with the Education and Skills Funding Agency's (ESFA) assurance arrangements.

Academies will find guidance in the [academies financial handbook](#), and colleges should refer to [16 to 19 education: financial management and assurance](#).

Charities

SCITT providers accredited to charities should:

- maintain accounting records
- provide publicly accessible accounts in accordance with the guidance in [Setting up and running a charity](#)

The Charity Commission's [The essential trustee: what you need to know, what you need to do](#) has further guidance on the conduct and operation of charities.

Private companies

SCITT providers accredited as private companies must:

- file annual accounts with [Companies House](#) for public access
- comply with the requirements set out for a limited company

Local authority-maintained schools

SCITT providers accredited to local authority-maintained schools should comply with the financial management requirements set by their local authority.

Contact the chief finance officer at your local authority for more details.

Other organisations

Any organisation that does not fall into the categories previously listed in this section will have a detailed assurance framework incorporated into its grant offer letter from DfE.

This will state terms and conditions, as well as the need for annual audited returns, if applicable.

Responsibilities of your governing body

Your governing body has wide responsibilities under statute, regulations and its GFA. It has discretion over its use of ITT provider funds, and is responsible for the stewardship of those funds.

Your governing body is responsible for ensuring that DfE funds are used only in accordance with the conditions of your GFA.

Your governing body should:

- use funds reasonably and in a way that commands public support
- be responsible for the supervision of funds, including [regularity](#) and [propriety](#)
- ensure [economy](#), efficiency and effectiveness in the use of funds

When reviewing governance, you should refer to [External reviews of governance: a guide for schools](#).

Your governing body cannot delegate responsibility for funds. However, it can approve a written scheme of delegation of financial powers to managers of your SCITT provider that maintains robust internal controls.

The managers of your SCITT provider should regularly report to your governing body, and keep it informed of performance, finances, key risks and issues.

There should be defined lines of responsibility between your governing body and your SCITT provider, including in the areas of:

- stewardship
- designation of an accounting officer
- financial management
- provision of information

Responsibilities of your accounting officer

Your governing body should appoint a named individual as its [accounting officer](#). They should be the [principal](#), [chief executive](#) or equivalent, and be fit and suitable for the role.

The appointment of an accounting officer does not remove the responsibility of the board – individually and collectively – for your proper conduct and financial operation.

Accounting officers should assure high standards in the management of public funds, including the following:

Regularity

Dealing with income and expenditure in compliance with:

- legislation
- the terms of your GFA
- your internal procedures, including spending public money for the purposes intended by Parliament

Propriety

Expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of parliamentary control.

This covers standards of conduct, behaviour and corporate governance.

Value for money

Achieving the best possible educational and wider societal outcomes through the:

- economic, efficient and effective use of resources
- avoidance of waste and extravagance
- prudent and economical administration

A key objective is to achieve value for money not only for your SCITT provider, but also for taxpayers generally.

Find out more about the role of accounting officers in [Managing public money](#).

Non-compliance

Your governing body should notify DfE's ITT Funding Team if it experiences financial difficulty.

If DfE has concerns about your financial management or governance, it may refer you to the DfE's Market Management Team or another partner organisation.

You may be referred to the Market Management Team if you are experiencing:

- cash flow problems
- a risk of insolvency
- other financial concerns, such as irregular use of public funds
- inadequate financial governance and management, including breaches of the duties, principles and requirements governing connected party relationships

All recommendations by the Market Management Team should be followed within the agreed timelines.

Financial and governance requirements

Systems of financial management will vary according to the size, organisational structure and needs of each SCITT provider.

But the principles of setting financial objectives, budgets and controls that represent sound financial management need to be developed by all SCITT providers, as guidance for their staff in the management of income, expenditure and resources.

To comply with your GFA, follow the procedures below:

Appoint a business manager

Your governing body should appoint a [business manager](#), finance director or equivalent to lead on financial matters. They should:

- perform both a technical and leadership role
- advise on your governing body's responsibilities under its GFA, and satisfy it that all terms and conditions are met
- ensure the efficient, economic and effective management and distribution of funds paid by DfE, including equipment and staff
- ensure the introduction and maintenance of sound financial controls for funds you receive from DfE
- ensure sound and appropriate financial governance and risk management arrangements are in place

- prepare and monitor budgets
- ensure the delivery of annual accounts (if applicable)

Your governing body should ensure that clear written directions are issued to the business manager and finance staff on their responsibilities.

Failure to formally allocate responsibilities can lead to omissions in important financial areas.

Produce a financial procedures manual

You should document your financial procedures and controls in a manual, including:

- full details of your management structure, based on clearly defined lines of responsibility, such as separating purchase order functions from payment authorisation
- details of the processes involved in recording gifts, hospitalities and ex gratia payments, to help identify potential conflicts of interest and enable regular monitoring
- safeguards for your resources, including cash and fixed [assets](#)
- guidelines on the preparation of any DfE returns and the production of annual accounts

The Institute of School Business Leadership (ISBL) has free advice to help produce a finance manual in the document [Academy financial procedures](#).

This download also provides guidance on:

- [managing budgets](#)
- [managing your SCITT provider's bank account](#)
- [managing petty cash](#)
- [forecasting cash flows](#)
- [segregation of duties](#)
- [best practice when making payments](#)
- [the proper and regular use of public funds](#)

Although this guidance is aimed at academies, DfE regards it as best practice and encourages its use by SCITT providers.

Regularly review financial information

Your business manager should prepare annual reports and documentation, as outlined by your main funding body.

For example, ESFA require statutory accounts, and local authority-maintained schools must complete a consistent financial report.

Your business manager should also regularly produce the following items below:

Finance reviews

Regular and systematic reviews by your business manager will ensure your financial records are maintained, and that your performance is monitored.

Reviews should examine your performance against budget. Your business manager should speak directly to budget holders to investigate and obtain explanations for any variances.

Significant variances should be reported to your the board and amended as necessary to help you stay within your resources allocation at all times.

Budget statements

Your business manager should present a written budget statement to your governing body on at least a termly basis.

The statement should show the total budget compared to the actual budget, with an explanation of variances.

The statement should also show any budget overspend for the year by cost centre.

Your governing body should minute all budget decisions. The minutes should be confirmed as an accurate record of each meeting and be physically signed and dated by the chair.

Manage income generation

Any fees and charges should be determined in accordance with annex 6.1 of HM Treasury's [Managing public money](#).

Produce an exit plan

In conjunction with DfE, you should create, maintain and update an exit plan throughout the period of the grant, so that it can be implemented immediately if

required.

Exit plans should ensure:

- an orderly transition of your grant funded activities to a successor body or DfE at the expiry or termination of the grant
- the continuation of grant funded activities
- that there is no undue favour to you in any future competition for the grant, in whole or in part
- that the responsibilities of both parties to the GFA are clearly defined in the event of expiry or termination

When required, you or DfE can instigate a review of the exit plan.

Establish and maintain an internal control framework

You should have sound internal controls, risk management and assurance processes.

You should establish a control framework that recognises public expectations about governance, standards and openness.

Your internal control framework should include guidance to ensure:

- the co-ordination of the planning and budgeting processes
- discipline in financial management, including managing banking, debt and cash flow with appropriate segregation of duties
- the preparation of monthly management accounts, including income and expenditure reports, cash flow forecasts and balance sheets
- that delegated financial authorities are respected
- effective planning and the oversight of any [capital](#) projects
- the effective management and oversight of assets
- the propriety and regularity of financial transactions
- that the risk of fraud and theft is reduced
- efficiency and value for money in your SCITT provider's activities
- that a process is in place for the independent checking of financial controls, systems, transactions and risks

ISBL has further guidance in its good practice library, titled [Internal control assessment](#).

Use robust accounting systems

All your transactions should be accurately recorded, reported and monitored against plans and budgets.

You should have definitive guidelines on the following areas:

- accounting system
- purchasing
- assets if applicable
- income
- bank and building society accounts
- cash holdings

The accounting system should record all your transactions, and provide an audit trail that traces all payments and receipts. This may be in a manual or computerised format.

The system should also be capable of producing management information for use by your board and budget managers, and provide figures from which financial statements can be prepared.

Your procedures should be documented to ensure compliance and consistency.

Computerised systems will need additional management controls to ensure integrity, and should be backed up regularly.

Manage budgets effectively

Prompt, accurate and up-to-date financial information should be readily available at the appropriate levels within your SCITT provider.

The arrangements should encourage interaction between your SCITT provider's financial and non-financial operations and activities.

There should be prompt exchange of information to support decision-making on a sound and timely basis.

The management of your SCITT provider will be more effective if management responsibilities and financial responsibilities are aligned.

Your governing body should consider that:

- final DfE grant figures may be lower than earlier indicative figures dependent on recruitment
- the need for actions to be taken during the year to deal with variations between actual and budgeted income and expenditure

The budget should be based on a hierarchy of assumptions and priorities, which will help you to react in changes of circumstances.

A record of the assumptions made in the preparation of the annual budgets should be kept and referred to when any budget changes are considered during the course of the [financial year](#).

You should always prepare a surplus or [balanced budget](#).

The main steps involved in budgeting include the following:

- 1 Ensure everyone involved in the process is aware of the assumptions, constraints and targets determined by your financial objectives.
- 2 Estimate the costs of each element of the plan, preferably over a 3 year period. The second and third year costs do not need to be as detailed as the first. Costings over 3 years can help you identify core commitments and areas of discretionary expenditure.
- 3 Estimate the income from public and non-public sources. Uncertainty regarding recruitment and funding is likely, and assumptions should be made about future funding you will receive based on a variety of factors.
- 4 Identification and evaluation of financial and non-financial risks that may impact on the budget allocation. The risks will need to be documented and reviewed as part of the budgetary control process.
- 5 Comparison of income and expenditure to identify the surplus or shortfall in funding required to meet any financial control objectives set by your governing body.
- 6 Revision of financial objectives may be necessary once priorities have been identified, to enable the preparation of a budget with reduced expenditure to match the expected income.
- 7 Re-allocation of any surplus or deficit identified.
- 8 To present the budget to the governing body for approval.
- 9 Inform other provider members with financial responsibilities what their budgets are, together with any constraints imposed and assumptions made, and to inform all staff of your financial aims.

ISBL has a [best practice guide for budget management](#).

Manage money effectively

You should:

- manage money effectively
- avoid going overdrawn
- reconcile bank and control accounts regularly (if applicable)

It is common practice for a SCITT provider to use the banking arrangements of its umbrella ITT provider and join up their banking processes.

You should have clearly defined and fully documented procedures for determining income from all sources. The procedures should be reviewed by finance staff and approved by the business manager annually.

All grants from DfE and other sources should be identified and checked against the original grant letter to ensure completeness and accuracy of the sums received.

Other non-grant income should be quantified as accurately as possible for inclusion in your budget, DfE's monitoring returns and your annual accounts (if applicable).

All income should be included in your budget and reported to your governing body on a regular basis.

Procedures should also be developed to ensure that income is received on a timely basis, and that any outstanding income is pursued regularly.

More guidance on [DfE ITT funding](#) is available.

Manage your bank account effectively

You should be aware of the various services available, including online banking, when choosing banks or building societies.

You should investigate the individual circumstances of your SCITT provider, as these will dictate the banking arrangements that are best suited to your

organisation.

The opening of all bank accounts should be authorised by your governing body or equivalent. The arrangements should be set out in a formal memorandum. This should include transfers between accounts and cheque signing arrangements.

It is common practice for SCITT providers to use their ITT provider's bank account and the benefits of using a single bank account.

The SCITT funds in this account must be ring-fenced and not used for any purposes other than the settlement of your SCITT provider's authorised expenditure.

You should ensure the bank is aware that the account should not be overdrawn. This is treated as a loan and not permissible by government.

You should have controls to ensure there is segregation of duties between the authorisation, preparation and issue of cheques, so that no one who signs a cheque may also prepare and issue it.

The controls should include the following:

- suitable authorised documents such as cheque requisitions, initiated or approved by non-signatories who need not be governors
- more than one signatory on each cheque/payment
- a maximum of 4 people – not all of whom need to be governors – authorised to sign cheques, at least one of whom is independent of your day to day accounting process
- ensure all individuals authorised to sign cheques are kept up-to-date with current procedures
- mandates held by your bankers detailing arrangements, together with clear instructions that your bank accounts should not become overdrawn

The use of credit cards is permitted as long as the balance on the account is cleared in full at the end of each month.

Your governing body should authorise any debit or credit cards after considering the potential risk over and above that of the purchase order system and appropriate controls over usage.

The following procedures should be helpful when considering the use of these cards:

- your governing body should approve:
 - a list of authorised users
 - restrictions on the use of the card's spending limits
 - written instructions on the scope and use of the cards
- a member of staff, who is not a card signatory, should be appointed to control the use of the cards, and a signing-out procedure should be implemented for

the issue of cards to authorised staff

- documentary proof of any goods purchased with the debit or credit card, including details of the nature and cost of those goods, should be returned to the person responsible for recording card transactions after each purchase
- transactions should be reconciled to statements by someone other than a card signatory

ISBL has guidance for [managing your SCITT provider's bank account](#).

Manage petty cash effectively

To prevent the impact of any financial loss, your petty cash float should not exceed a set amount at any given time.

In the interest of security, petty cash payments should be limited in value.

This limit may vary between SCITT providers, but generally cash payments should not exceed £20. Higher value payments should be made by cheque, card or online transaction.

Petty cash withdrawals and payments should be entered into your petty cash records immediately.

Regular reconciliations should be undertaken to ensure that the imprest system remains in balance. The reconciliation should be reviewed and signed-off by your business manager.

Access to cash, cash records and forms should be restricted to authorised personnel.

Secure safes and containers should be available for cash, records and valuables.

Your business manager should do surprise counts at random and sign off the petty cash reconciliation statement each month.

You should also have random independent checks of petty cash holdings and records.

ISBL has guidance for [managing petty cash](#).

Forecast cash flows

It is essential that you demonstrate good financial management by forecasting your cash position with reasonable accuracy.

You should prepare cash flow forecasts to:

- help manage your finances
- get maximum interest from available funds
- ensure you have sufficient funds to pay for operations

The cash flow forecast should include all grants promised by DfE for the year.

You should determine the nature of any income and the possible time of receipt.

Identification of income sources will help in determining the profiling of receipts. The nature of expected income will also assist in preparing budget forecasts.

Payments should not be made in advance of need and you should make use of normal credit periods.

A 30 day period is often allowed before payment is required. Making use of this 30 day credit period is considered good practice and is not regarded as borrowing.

You should also be aware of the possible benefits of early payment discounts, and take advantage of this should it provide better value for money.

ISBL has guidance for [forecasting cash flows](#).

Segregate duties

Duties should be segregated between individuals.

One of the prime means of control is the separation of those responsibilities or duties that would, if combined, enable one individual to record and process a complete transaction.

Segregation of duties reduces the risk of error or intentional manipulation through checks built into the routine.

Examples of functions that can be separated include the following:

- authorisation of transactions such as a purchase order or a payment
- signing of cheques or BACS transmissions

- placing of orders and receiving of goods and services or charging and receipt of a fee
- receipt of income and banking
- custody of goods or services
- maintaining accounting records
- reconciliation of control and bank accounts
- set-up of computerised accounting systems in the area of inputting, authorising and processing payments

DfE recognises that small SCITT providers will not be able to allocate all these functions to different people. In most cases, it is not necessary to separate the functions between more than 2 staff.

ISBL has guidance on the [segregation of duties](#).

Follow best practice when tendering, purchasing and paying

A best practice guide to tendering, purchasing and payment, [Procurement and tendering policy](#), is available from ISBL.

Ensure value for money

Before placing an order, you must follow procedures relevant to the type and value of the purchase. You should ensure value for money is obtained.

Make orders in writing

Orders should be made in writing and on a basis agreed with the supplier. Only in exceptional circumstances should orders be made orally, and these should subsequently be confirmed in writing.

Ensure you receive confirmation of goods or services purchased

All goods and services should be accompanied by a goods or services received note.

Whoever receives the goods or services should check for quality and accuracy. The goods or services received note should be kept in a safe place.

Upon receipt of the supplier invoice, this should be reconciled and appended to the received note before the invoice is processed for payment.

Process purchase invoices

Supplier statements should be reconciled regularly to the outstanding invoices.

Where a detailed creditor's ledger is maintained, supplier statements should be reconciled with each individual supplier's account.

Follow best practice procedure when making payments

Your business manager should ensure the efficient and economical distribution of funds paid by DfE.

Your governing body should be satisfied that bills are being paid promptly, with discounts for prompt payment where appropriate.

To avoid goods and services not being received, payment should not normally be made before the receipt of goods. If such payments are required, you should consider the degree of risk before approving the payment.

In applying segregation of duties, cheques should not be signed by the person who is responsible for authorising the purchase order.

Cheques should be signed in accordance with the bank mandate that should require all cheques to be signed by two signatories. At least one signatory should be independent of your day-to-day accounting processes.

Where practical, the signatories should be independent of your ITT provider's regular accounting.

ISBL has guidance on [best practice when making payments](#).

Have a whistleblowing procedure

You should have procedures in place for [whistleblowing](#).

All staff should be made aware of who they can report concerns to, and the way in which these will be managed.

ESFA's [Academy trust guide to reducing fraud](#) is a resource for academies that is relevant to all SCITT providers. DfE encourages you to adopt its recommendations.

ISBL has further guidance in its good practice library, titled [Whistleblowing policy](#).

Manage risk

You should make a considered choice about your risk profile, taking into account your legal obligations, business objectives and public expectations.

You should recognise, manage, track and present future risks arising from your operations, including a likelihood and impact assessment.

You should maintain a risk register. This can be a standalone document for your SCITT provider, or an appendix to your accredited ITT provider's risk register.

SCITT providers face different risks to those faced by ITT providers, including:

- competition
- lack of cohort
- key SCITT staff
- placement schools

Risks should be noted and monitored on a regular basis by you and your governing body.

You should make a contingency and business continuity plan, setting out what you will do to ensure continued operation. An example [business continuity plan](#) is available from ISBL.

Your operations should be taken into account when constructing the exit plan if SCITT is based on site.

You should ensure you have insurance cover in compliance with your legal obligations.

You should determine your own level of cover, which should include:

- professional indemnity
- business continuity
- employers and public liability insurance

This list is not exhaustive.

ISBL has a best practice guide, titled [Managing risk](#).

Delegated authorities

Proper and regular use of public funds

You should be able to show that public funds have been used as intended by Parliament and your GFA.

You should ensure that:

- public funds are only used for the purpose intended
- there is probity in your use of public funds
- spending decisions represent value for money and are justified
- internal delegation levels exist ([guidance on internal delegation](#) is available from ISBL)
- a competitive tendering policy is in place and applied
- professional advice is sought where appropriate, including that of an external auditor

Guidance on public sector procurement requirements is available from DfE's [Buying for schools](#) and [Buying for schools: templates and forms](#), and HM Treasury's [Managing public money](#). The Official Journal of the European Union has advice on [contractual thresholds](#).

Connected party relationships and declarations of

interest

You should be even-handed in your relationships with connected parties, and ensure that:

- SCITT staff comply with statutory duties to avoid conflicts of interest, do not accept benefits from third parties, and declare interest in proposed transactions or arrangements in meetings
- all members, trustees, local governors and senior employees of SCITT providers have completed a register of interests that is retained by your ITT provider, to ensure there are measures in place to manage any conflicts of interest
- no member, trustee, local governor, employee or related individual or organisation uses their connection to your SCITT provider 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 your SCITT provider

Your governing body should ensure that the requirements for managing connected party transactions are applied across your SCITT provider.

The chair of your governing body and your accounting officer should ensure that their capacity to control and influence does not conflict with these requirements.

They should manage relationships with connected parties to avoid real and perceived conflicts of interest, and promote integrity and openness in accordance with the [7 principles of public life](#).

You should also recognise that relationships with connected parties may attract public scrutiny, such as:

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

As evidence that transactions with these parties and all connected parties have been conducted in accordance with the high standards of accountability and transparency required in the public sector, you should:

- maintain sufficient records
- make sufficient disclosures in annual accounts if applicable

Register of interests

Your register of interests should capture relevant business and pecuniary interests of members, trustees, local governors and senior employees, including:

- directorships, partnerships and employments with businesses that provide goods or services to your SCITT provider
- trusteeships and governorships, including those at other educational institutions and charities irrespective of whether there is a trading relationship with your SCITT provider
- for each interest, the name of the business, the nature of the business, the nature of the interest and the date the interest began

You should consider whether to include the interests of other individuals in your register of interests. This may include other employees of your SCITT provider and close family members of individuals on the register.

Interests are not limited, and your governing body should consider whether other interests should be registered. If there is any doubt, you should include the interest in the register.

Tax arrangements for self-employed staff

You should ensure that self-employed staff take responsibility for their tax tax liabilities by:

- following HMRC guidance
- checking under IR35
- getting signed declarations from self-employed staff that they are responsible for all their tax liabilities

Gifts

You should have a policy and register for the acceptance and giving of gifts, hospitality, awards, prizes or any other benefit which might be seen to compromise the personal judgement or integrity of your SCITT provider.

You should ensure all staff members are made aware of this.

When giving gifts, you should ensure that the value of the gift is:

- trivial (under £10)
- within your scheme of delegation
- fully documented and has due regard to propriety and regularity in the use of public funds

You should maintain full details of all gifts and hospitality received by staff of your SCITT provider, including managers, mentors and finance staff.

ISBL has further guidance in its good practice library, titled [Gifts and hospitality policy](#).

Purchase of fixed assets

You should follow procedures for the purchase of assets with regard to limits, authorisations and tender policies.

All assets purchased should be entered in the asset register if the cost is over the specified value.

You should 'capitalise' assets valued over £1,000 which are intended for use on a continuing basis for a period of more than one financial year.

Asset register

You should maintain an asset register which contains details of all capital items. The register should record the following:

- date of purchase
- description of the asset, including a unique identification mark such as a serial number
- cost, including VAT and delivery
- source of funding
- location of asset
- details of loss, disposal or write-off

The register should be kept up-to-date and available for inspection by internal and external auditors.

The register can:

- form an important part of your procedures for ensuring that staff take responsibility for the safe custody of assets
- enable management to undertake independent checks on the safe custody of assets as a deterrent against theft or misuse, and allow you to undertake an audit of fixed assets on an annual basis
- help you to manage the effective use of assets and to plan for their

replacement

- help external auditors to draw conclusions on the financial statements and your financial system
- support insurance claims in the event of fire, theft or other losses (all losses should be recorded in the register)

Security of assets

Equipment should be secured physically and by other security devices. Authority to remove assets from site should be clearly documented.

All items in your asset register should be permanently and visibly marked as the property of your SCITT provider, and there should 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 should be investigated and, where significant, reported to your governing body.

Disposals

Capital asset disposals, transfers, loss or destruction and write-offs should be reported to your governing body promptly. The loss should be reflected in your asset register.

Items disposed of by sale or destruction should be authorised for disposal and, where significant, should be sold following competitive tender.

You should ensure that any disposal achieves the best price that can be obtained and maintains the principles of regularity, propriety and value for money.

ISBL has further guidance in its good practice library, titled [Write-off and asset disposal policy](#).

Loan of assets

Fixed assets such as computers and printers should not be removed from your SCITT provider's premises without permission from your governing body or equivalent.

You should record any loan, and the record should be updated when the asset is returned.

DfE assurance of funds

DfE will seek assurance that you have adequate financial arrangements that meet the requirements governing the use of public funds.

DfE will conduct financial management reviews to ensure your financial arrangements meet the requirements of your GFA.

DfE will also make visits to gain assurance that the data you supply in the calculation of grants is accurate, complete and supported by evidence. The scope and timing of DfE's assurance visits are determined annually.

DfE may from time-to-time carry out audits. You should provide DfE with access to all books, computer records, information, explanations, assets and premises.

DfE may take copies of relevant documents and conduct interviews at any reasonable time. DfE will give you reasonable advance notice in writing of any proposed audits.

You should retain all records to verify the provision of your SCITT provider or its sub-contractors in relation to your GFA for at least 3 years after the end of the period to which funding relates.

Financial management and governance self-assessment

All new recently accredited providers should complete a [financial management and governance self-assessment](#) and submit it to DfE within 3 months of opening. A template will be issued at the start of your first operational year.

National Audit Office

The [National Audit Office](#) (NAO), via DfE, has the right to access your books of accounts and all relevant records, files and reports for inspection or value for money studies.

You should co-operate with DfE and NAO officials to provide any help, information and explanation required.

Provision of information

You should supply DfE with all information it requires to meet your funding requirements.

This information should be of sufficient quality for the purposes it has been requested. You should provide the information when and how DfE and its agents request it.

When deadlines for supplying information, DfE will consider the impact on your business.

If you do not return the information DfE requires by the specified deadline, or if the information is not of acceptable quality, DfE may carry out whatever investigations it deems necessary to collect the information.

DfE will work in consultation with you to agree on appropriate action.

You should email itt.accreditation@education.gov.uk to notify DfE of the vacating or filling of the following positions:

- chair of your governing body
- accounting officer
- chief financial officer (or equivalent)

Investigation of fraud and irregularity

You should be aware of the risk of fraud and irregularity, and address these risks in your internal control and assurance arrangements by putting proportionate controls in place.

You should take appropriate action where fraud or irregularity is suspected or identified.

You should report all cases of attempted, suspected or proven fraud to DfE, and other relevant authorities such as ESFA, as soon as they are discovered, irrespective of the amount involved.

You will be asked to provide the following information:

- full details of the event or events, with dates
- financial value of the loss
- measures you have taken to prevent it happening again
- whether the matter was referred to the police, and the reasons if not
- whether insurance cover or your [risk protection arrangements](#) will offset any loss

DfE will not tolerate fraud. DfE reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity, whether you have provided formal notification or as the result of other information received.

DfE may involve other authorities, including the police, as appropriate. DfE will publish reports in line with its own policy.

ISBL has further guidance in its good practice library, titled [Anti-fraud and corruption policy](#).

Funds spent on training

Each academic year DfE will ask you to complete a return that contains:

- the amount of funding issued
- the trainees that this funding relates to as recorded on DfE's database
- the amount of funds spent on providing ITT to these trainees

This must be independently audited and signed off by your accounting officer.

Explanation of terms

Accounting officer

Senior executive accountable for regularity, propriety and value for money. This could be the principal, chief executive, executive principal or equivalent.

Asset

Anything that is capable of being owned or controlled to produce value, and has a positive economic value. This can be revenue, for example cash, or capital such as a building.

Balanced budget

A formal budget plan setting out projected income and expenditure, drawing on unspent funds from previous years as necessary. You do not have to balance income and expenditure in each year to zero, and can carry forward unspent grants.

Business manager (or chief financial officer)

Individual who leads the finance department.

Capital

Capital assets or funding are those from which you can expect to get a benefit for more than one year. This includes land, buildings, vehicles, information technology and so on. Capital assets are also referred to as fixed assets.

Chief executive

Senior executive of your SCITT provider.

Economy

Obtaining an outcome for the least possible input of resources.

ITT provider

An organisation, which has entered into a GFA with DfE.

Effectiveness

Obtaining the best possible outcome for the resources input.

Financial management and governance self-

assessment

A submission for completion and return to DfE by a notified date by recently accredited SCITT providers. The return requires SCITT providers to self-assess financial management arrangements in specified areas.

Financial year

This is usually the same as the academic year, from 1 September to 31 August. For most other public sector bodies it means the period from 1 April to 31 March.

Governing body

A governing body, also referred to in this guide as the board, refers to the individuals who are responsible and accountable for controlling the management and administration of an ITT provider. They have ultimate responsibility for directing affairs and for ensuring that SCITT providers are solvent, well run, and deliver their objectives for the benefit of stakeholders.

Principal

The head teacher of a SCITT provider.

Propriety

The requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of parliamentary control. This covers standards of conduct, behaviour and corporate governance.

Provider

Any organisation that has a GFA with DfE for ITT, and is established as an accredited legal entity.

Public funds

Funds that ultimately derive from parliamentary authority. A provider's income, expenditure, assets and liabilities are all open to scrutiny.

Regularity

The requirement to deal with all items of income and expenditure in accordance with legislation, the terms of your SCITT provider's GFA and this guide, and compliance with your SCITT provider's internal procedures. This includes spending public money for the purpose intended by Parliament.

Risk protection arrangements

A mechanism through which the cost of certain risks will be covered by public funds for academies that opt in.

Value for money

Achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in your SCITT provider's charge, the avoidance of waste and extravagance, and prudent and economical administration.

Whistleblowing

When an employee reports suspected wrongdoing at work and makes a disclosure in the public interest, under the protection of the Public Interest Disclosure Act 1998.

Further information

Department for Education

- [Initial teacher training \(ITT\): criteria and supporting advice](#)
- [Teacher Recruitment Bulletin](#)

- [School Direct: guidance for schools](#)
- [Governance handbook and competency framework](#)
- [Risk protection arrangement for academies: join and get support](#)
- [School governance: a policy overview](#)
- [Whistleblowing for employees](#)

ESFA

- [Academies accounts direction](#)
- [Academies investigation reports](#)
- [Academies severance payments](#)
- [ESFA: update](#)

Charity Commission

- [Charities and investment matters: a guide for trustees](#)
- [Charity finances: trustee essentials](#)
- [Charities and risk management](#)
- [Setting up and running a charity](#)
- [Charity reporting and accounting: the essentials](#)

HM Treasury

- [Audit committee handbook](#)
- [Orange book - management of risk: principles and concepts](#)
- [Review of the tax arrangements of public sector appointees](#)

HM Revenue & Customs

- [Charities and tax](#)
- [PAYE](#)
- [Check employment status for tax](#)
- [Who needs to register for money laundering supervision](#)
- [VAT](#)

Partner Organisations

- [Natural Association of School Based Teacher Trainers](#)
- [Action Fraud: charities](#)
- [Association of School and College Leaders](#)
- [The Chartered Institute of Public Finance & Accountancy: Good governance standard for public services](#)
- [Confederation of School Trusts](#)
- [Information Commissioner's Office: guide to freedom of information](#)

Other resources

- [Code of conduct for board members of public bodies](#)
- [Finance Directors Forum](#)
- [Fraud Act 2006](#)
- [National Audit Office](#)
- [OJEC - the official journal of the European Union](#)
- [Public Accounts Committee](#)
- [The Civil Service code](#)

Is this page useful? [Yes](#) [No](#)

Is there anything wrong with this page?

Prepare for Brexit

[Prepare your business or organisation for Brexit](#)

[Living in Europe after Brexit](#)

[Prepare for Brexit if you live in the UK](#)

[Continue to live in the UK after Brexit](#)

Services and information

[Benefits](#)

[Education and learning](#)

[Births, deaths, marriages and care](#)

[Employing people](#)

Departments and policy

[How government works](#)

[Departments](#)

[Business and self-employed](#)

[Environment and countryside](#)

[Worldwide](#)

[Childcare and parenting](#)

[Housing and local services](#)

[Services](#)

[Citizenship and living in the UK](#)

[Money and tax](#)

[Guidance and regulation](#)

[Crime, justice and the law](#)

[Passports, travel and living abroad](#)

[News and communications](#)

[Disabled people](#)

[Visas and immigration](#)

[Research and statistics](#)

[Driving and transport](#)

[Working, jobs and pensions](#)

[Policy papers and consultations](#)

[Transparency and freedom of information releases](#)

[Help](#) [Cookies](#) [Contact](#) [Accessibility](#) [Terms and conditions](#)

Rhestr o Wasanaethau Cymraeg Built by the [Government Digital Service](#)

OGI All content is available under the [Open Government Licence v3.0](#), except where otherwise stated



© Crown copyright