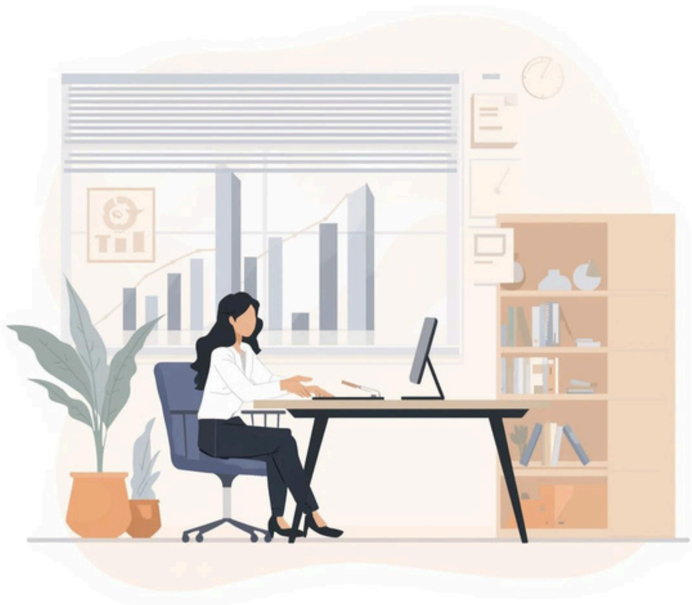
TUESDAY'S TOP TIP

SHARD
Business Services

OUR WEEKLY DOSE OF SMART BUSINESS AND FINANCE TOP TIPS



Review Outstanding Purchase Orders

Why?

Keep Commitments Accurate

- Identify old purchase orders that are no longer required.
- Close or amend orders where appropriate.

Improve Forecasting

- Check genuine commitments remain reflected in forecasts.
- Investigate orders outstanding for an unusual period.

Benefit

Old or inaccurate purchase orders can distort your financial position by making committed expenditure appear higher than it really is. Equally, removing genuine commitments too early can understate expected expenditure.

A regular review helps ensure commitments remain meaningful and improves the accuracy of budget monitoring and forecasting. It can also identify orders that were raised but never progressed, duplicate orders or goods and services that have been ordered but not received and may therefore require follow-up with the supplier.

Useful Resources

- Academy Trust Handbook
- DfE – School Resource Management Guidance

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