



CARLTON
ACADEMY TRUST

Carlton Academy Trust Financial Procedures Policy

Approved on behalf of Trustees:

Gareth Logan

Date:

September 2023

Next Review Date:

September 2024



Glossary

- AO:** (Trust) Accounting Officer
CEO: Chief Executive Officer
CFO: Chief Financial Officer
COT: Chair of Trustees
DOP: Director of Primary
HMRC: His Majesty's Revenue and Customs
HOS: Heads of School
Parents: Umbrella term also including Carers



Section One: Oversight and Systems

Trust personnel with significant financial responsibility are as follows:

Trustees

Have ultimate responsibility for oversight of trust finances, ensuring that monies are effectively employed in accordance with Trust Articles of Association and Trust Academy Handbook, remaining a 'going concern.'

Their oversight is primarily conducted through the Risk and Audit committee, with major developments reported at full trustees' meetings.

AO

The CEO fulfils the role of AO, with overall responsibility for operational management of finance. Most of these responsibilities are delegated to the CFO.

CFO

The CFO is responsible for the daily operational management and oversight of whole-trust finance. Key responsibilities include:

- Developing and monitoring financial systems.
- Statutory financial reporting.
- Preparing management reports and accounts (monthly/quarterly/annual).
- Monitoring and authorising transactions according to the Financial Scheme of Delegation.
- Reporting to trustees.

DOP

Are responsible for ensuring the effective financial management of all primary schools.

HOS

Are responsible for ensuring the effective financial management of their school.

Deputy CFO

The Deputy CFO works across all schools supporting the CFO and trust finance staff.

Finance Systems

The trust uses the HCSS/Access accounting software. A guidance document has been created to enable clarity, consistency, and alignment with the trust Financial Scheme of Delegation.



The trust and all schools have three-year budget projections. These are developed through the Risk and Audit committee then formally agreed at Full Trustees. These are monitored monthly by the CFO, CEO, and COT, and a standing item at all Risk and Audit meetings. The financial and operational performance of the trust is assessed through annual external audit procedures, which are formally reported to full trustees then published on the trust website.

The trust also undertakes three internal audit processes annually, which examine priority areas of trust operational performance as identified through the Risk Register. Findings are reported to the Risk and Audit committee.

Anyone involved in purchasing decisions must declare any financial or business interests so the trust can be assured that there are no conflicts of interest and best-value can be achieved. These are declared on a 'Declaration of Pecuniary Interests' form, which together form the Register of Business Interests. The Register is updated annually and is the responsibility of all relevant personnel to keep their declarations up-to-date and accurate.

All staff are paid monthly via an outsourced payroll provider (Dataplan). Monthly changes to school payroll follow a four-stage process:

- 1) **HR** submit any new starters, leavers or contract changes and **School Admin Staff** submit any absence or payroll variations on to Dataplan. These are listed on a spreadsheet which also shows the details for these adjustments and the basis of any calculation.
- 2) **HOS** check, approve and authorise payroll variations.
- 3) **Trust Payroll Administrator** checks the variations have been calculated and processed correctly.
- 4) **CFO** randomly checks 10% of all payroll variations each month, before granting final authorisation.

There is a different process for the central trust payroll:

- 1) **Trust Payroll Administrator** submits any payroll variations onto Dataplan.
- 2) **CEO** approves any variations.
- 3) **CFO** checks the variations have been processed correctly.



Section Two: Purchasing and Procurement

The trust aims to achieve best value in all purchases in consideration of cost, quality, and time parameters. It also adheres to the following principles:

Probity: No corruption or private gain involved in the contractual relationships to the trust.

Accountability: The trust is publicly accountable for its expenditure and the conduct of its affairs.

Fairness: The trust deals with all parties on a fair and equitable basis.

Procurement is proactively planned through use of the 'Contracts Register.' The Register lists all contracts, with procurement for renewal of these contracts scheduled at an appropriate period in advance of renewal dates. This could range from a few months to more than a year for major purchases. Wherever possible, contract renewal dates are aligned so that opportunities for bulk purchase discounts are optimised.

All purchases must be made via online purchase orders on HCSS to ensure accurate oversight of expenditure as well as providing a reference point for all incoming goods and services to be checked against. This system must never be used to make personal purchases.

All budget holders have responsibility to effectively manage funds devolved to them. They are issued with regular updates to facilitate and enable this. Differential approvals are required for differing spend levels as encoded in the Financial Scheme of Delegation (Appendix Two).

Where the trust engages in **related party transactions** it must not pay more than the fair market rate in accordance with the requirements of the Trust Academy Handbook.

Goods/Services Received

Each school has systems to check goods received against the order/delivery note. A formal record must be made of any discrepancies. Where there is no delivery note, the invoice/goods delivered must be checked against the original order. Discrepancies must immediately be raised with suppliers. Goods or services must be delivered to a trust site and should never be made to a home/other address without prior agreement from the CFO.

Invoices are paid within 30 days through BACS, cheque, direct debit, or CHAPS as appropriate.

A control record is kept for cheques detailing the number, sequence of cheque books received and date of receipt. Cheque books must be securely stored when not in use with access and use strictly monitored and controlled.

Suppliers paid by direct debit are listed on the purchase ledger so that they are not included on supplier payment processes. Payments from bank statements can then be reconciled to clear the supplier account.

Section Three: Miscellaneous

Debit, Credit and Payment Cards

The use of debit, credit and payment cards are subject to rigorous control with spending limits maintained at an appropriate level by the CFO. All card transactions must be accompanied by an appropriate voucher/receipt that is retained for accounting purposes.

Cards must not be used for personal purchases and staff must not make purchases using personal credit/debit/payment cards without prior approval from central trust finance.

Cards must be securely stored, and card numbers/PIN numbers must not be shared. All transactions are reconciled each month against statements to ensure there are no unauthorised payments. All credit card transactions are paid in full by direct debit.

Petty Cash

All schools – except for Special Schools - are cashless with no money held in school. Each school has a credit card which is used instead of cash. These have a spending limit of £50 for each purchase. Usage of this credit card must be accounted in the same way as any other expenditure, being entered as a requisition on the finance system with prior approval from the budget holder. Spending on this card is subject to a £50 spending limit for each purchase.

Special schools are allowed to hold a petty cash balance of £250, which is needed to meet the specific needs of their students. They must not use petty cash to reimburse staff purchases, which must be made through trust finance systems. The exception is 'emergency' situations when staff require immediate cash reimbursement.

Payment Management

The trust encourages parents to make payments through school online/cashless systems. When cash payments are received, they must be recorded on the trust finance system against income nominals with receipts issued to parents.

All cash or cheques received must be securely stored in a locked safe with monies banked in their entirety at appropriate intervals to prevent large amounts of cash being held in school (must never exceed £5000). Reconciliation checks are made between the sums collected, sums deposited at the bank, and the sums posted to school finance systems.

The trust has two bank accounts. One is the main trust account, whilst the second is a subsidiary account for Carlton Keighley which must have a separate account as a condition of it being a PFI school. Deposits to each must be entered on a paying-in slip, counterfoil, or listed in a supporting book. Payments or withdrawals must have two authorised signatories in accordance with bank mandates.

The CFO ensures bank reconciliations are completed on at least monthly basis, comparing the HCSS accounting system and bank statements, with a list of unreconciled payments made where any such payments are found.

Fixed Assets

The trust maintains an Assets Register of all IT equipment and items with a purchase price greater than £5000, showing their location, purchase date and serial number (where relevant).

The CEO and CFO must approve of any asset for sale or disposal and if necessary, gain the approval of the Education and Skills Funding Agency (ESFA). Any sale of land must be agreed in advance with the Secretary of State for Education. Trust property must not be loaned/removed from premises without the authority of the HOS and CFO. Any equipment that is loaned should be formally recorded and monitored.

Top Slice Payments

Each school is annually charged a 5% top slice payment.

Insurance

The trust is a member of the DfE's Risk Protection Arrangement (RPA). This provides comprehensive cover which includes all major risks. No indemnity should be given to any third party without the written consent of the CFO, CEO, and insurers. All insurance claims should be passed to and managed by the COO.

Risk Management

The Trust reviews risks on a termly basis through scrutiny of the Risk Register which is updated by the CEO each term. Risks codified in the register inform subsequent internal audit processes.

Appendix One: Declaration of Pecuniary Interests

Academic Year:

Name:

Position:

1. Please list below any relevant companies or organisations that the trust may contract with which you have a commercial interest (owner, part owner, director, shareholder):

2. Please list any relevant companies or organisations which you are employed by on a full time, part time, or contractor basis:

3. Please list any relevant companies in which any close friend or relative (spouse, parent, sibling, son, daughter, in-laws, common law partner) has a financial interest with the trust or employs a close friend or relative:

4. Please declare any non-financial interests that you consider conflict with the trust's interests such as involvement in an official capacity with an outside organisation which has dealings with the Trust.

5. Please declare any relationship you may have with other trust employees. This includes spouse, partner, relatives, close friends (meet socially outside school):

Notes:

- Please answer none or n/a where there are no disclosures to be made.
- Should there be any relevant changes during the year it is your responsibility to complete a new declaration disclosing these.
- Please return to the Trust Governance Professional

Signed _____

Dated _____

Appendix Two: Financial Scheme of Delegation

Delegated Duty	Value	Delegated Authority	Method
Ordering Goods, Services, and authorising contracts	Up to £10,000	Budget Holder	Selection from preferred supplier list
	£10,001 to £50,000	Approval from CFO and CEO	Minimum of three written quotes or tenders.
	Over £50,000	Trustee Approval: may be delegated to Chair of Trustees or Audit & Risk Committee	Minimum of three written quotes or tenders
	<ul style="list-style-type: none"> • Goods and Services more than £189,330 • Works more than £4,733,252. 	Trustee Approval: may be delegated to Chair of Trustees or Risk & Audit Committee	Minimum of three written quotes or tenders and use of government 'Find A Tender' service.
Signatories for cheques, BACS payment authorisations and other bank transfers	Any	All payments are to be authorised by the CEO and CFO	
Virement of budget provision between budget heads	Up to £10,000	Approval from CFO	
	£10,001 to £50,000	Approval from CFO and CEO	
	over £50,000	Trustee Approval: May be delegated to Chair of Trustees or Audit & Risk Committee	
Borrowing	Any amount	Approval from CFO and CEO with referral to Chair of Trustees/Audit Committee	ESFA approval needed.
Novel, contentious, and repercussive transactions	Any	Approval from CFO and CEO	ESFA approval needed
	Up to £50,000	Approval from CEO and CFO	
	Over £50,000	Approval from CEO with referral to Chair of Trustees/Audit Committee	ESFA approval needed
Ex-gratia payments	Any	Approval from CFO and CEO	ESFA approval needed
Acquisition and disposal of fixed assets	Acquiring/Disposing Freehold land/buildings and heritage assets	Approval from Trustees	ESFA approval needed
	Other disposals	Approval from CFO and CEO	
Write-offs, guarantees, letters of comfort, and indemnities	1% of annual income of £45,000 individually 2.5% or 5% annual income cumulatively	Approval from CEO (Must be reported to the Audit Committee)	ESFA approval needed
	Below above limits	Approval from CEO	
Leases (Not land or buildings)	Up to £10,000	Approval from CFO	
	£10,001 and above	Approval from CFO and CEO	
Leases or Tenancy Agreements for land or buildings	Any Amount	Approval from CEO and CFO	ESFA approval needed



Appendix Three - Carlton Academy Trust - Financial Cycle

September	October	November	December
<p>ESFA</p> <ul style="list-style-type: none"> • New Academies Financial Handbook comes into effect. <p>Trust</p> <ul style="list-style-type: none"> • Complete Month End • Complete Management Accounts • Complete Year End template • Upload budget • LBCT due end of Oct • SRMS due end of Oct 	<p>ESFA</p> <ul style="list-style-type: none"> • ESFA issues guidance on the CIF • ESFA issues PE and sport premium conditions of grant and allocations • ESFA makes the second quarterly pupil premium payment for the 2018 to 2019 financial year. <p>Trust</p> <ul style="list-style-type: none"> • Complete autumn school census • Complete Month End • Complete Management Accounts 	<p>ESFA</p> <ul style="list-style-type: none"> • 1st Instalment of PE and Sports Grant Funding <p>Trust</p> <ul style="list-style-type: none"> • Deadline for new CIF applicants to register on the online portal. • Ensure LBCT and SMRS submitted. • Complete Month End • Complete Management Accounts 	<p>ESFA</p> <ul style="list-style-type: none"> • Deadline for bids for CIF • DfE announces schools' revenue funding settlement for the next financial/academic year. <p>Trust</p> <ul style="list-style-type: none"> • Submit audited financial statements, auditor's management letter and accounts submission cover sheet by 31 December. • Complete Month End • Complete Management Accounts
January	February	March	April
<p>ESFA</p> <ul style="list-style-type: none"> • ESFA makes the third quarterly pupil premium payment for the financial year. <p>Trust</p> <ul style="list-style-type: none"> • Complete spring school census • Trusts submit their accounts return by 22 January. • Trusts publish their audited financial statements on their website by 31 January. • Complete Month End • Complete Management Accounts 	<p>ESFA</p> <ul style="list-style-type: none"> • ESFA issues guidance on funding allocations • ESFA issues guidance on the academies budget forecast return (BFRO) • ESFA issues Year 7 catch-up premium conditions of grant and allocations <p>Trust</p> <ul style="list-style-type: none"> • Complete Month End • Complete Management Accounts 	<p>ESFA</p> <ul style="list-style-type: none"> • ESFA issues academy revenue funding allocations • ESFA publishes CIF outcomes. <p>Trust</p> <ul style="list-style-type: none"> • Complete Month End • Complete Management Accounts 	<p>ESFA</p> <ul style="list-style-type: none"> • ESFA makes live the form for trusts to claim national non-domestic rates (NNDR) for the financial year. • ESFA makes the final quarterly pupil premium payment for the 2018 to 2019 financial year. <p>Trust</p> <ul style="list-style-type: none"> • Complete Month End • Complete Management Accounts
May	June	July	August
<p>ESFA</p> <ul style="list-style-type: none"> • ESFA issues the academies accounts direction. • ESFA issues guidance on the budget forecast return (BFR) • 2nd Instalment of PE and Sports Grant Funding <p>Trust</p> <ul style="list-style-type: none"> • Complete summer school census • Submit budget forecast return: outturn (BFRO) • Submit audited financial statements to Companies House within 9 months of the end of the accounting period which is 31 May. • Audit Teachers Pensions "EOYC" • Complete Month End • Complete Management Accounts 	<p>ESFA</p> <ul style="list-style-type: none"> • ESFA issues guidance on the budget forecast return (BFR) • ESFA makes final payment for universal infant free school meals (UIFSM) • ESFA pay rates relief. <p>Trust</p> <ul style="list-style-type: none"> • Complete Month End • Complete Management Accounts 	<p>ESFA</p> <ul style="list-style-type: none"> • ESFA makes the first quarterly pupil premium payment. <p>Trust</p> <ul style="list-style-type: none"> • Trusts submit their budget forecast return (BFR) • Complete Month End • Complete Management Accounts 	<p>Trust</p> <ul style="list-style-type: none"> • Complete Month End • Complete Management Accounts • Prepare for year end. • FMGS Due end of Sept

