CARLTON
ACADEMY TRUST

Financial Procedures Policy

Approved on behalf of Trustees:	**Gareth Logan**
Date:	**November 2025**
Next Review Date:	**July 2026**

Glossary

AO: Trust Accounting Officer
CEO: Chief Executive Officer
CFO: Chief Financial Officer
COO: Chief Operating Officer
COT: Chair of Trustees
DFE: Department for Education
DOP: Director of Primary
HMRC: His Majesty's Revenue and Customs
HOS: Heads of School
HRD: Trust Director of HR
Parents: Umbrella term also including carers and legal guardians
PFI: Private Finance Initiative
RPA: (DfE) Risk Protection Arrangement (Insurance)

Section One: Oversight and Systems

Personnel with significant financial responsibility are:

Trustees

Have ultimate responsibility for oversight of trust finances, ensuring that monies are effectively employed in accordance with articles of association and Academy Trust Handbook and ensuring the trust remains a 'going concern.' Financial oversight is primarily conducted through the Risk and Audit committee reported back at full trustees' meetings.

AO/CEO

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

CFO

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

- Development and oversight of budgets.
- Statutory financial reporting.
- Preparing management reports and accounts.
- Monitoring and authorising transactions according to the Financial Scheme of Delegation.
- Reporting to trustees.

HOS

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

Finance Systems

Trustees

All school and central trust budgets are developed in conjunction with HOS, discussed at the Risk and Audit committee, then approved at a Full Trustees meeting. Once set, these are monitored through monthly meetings of the CFO, CEO and COT, and a standing agenda item at Risk and Audit meetings.

Operational performance is assessed annually through external auditors who formally report back to Full Trustees, with their final report published on the trust website.

The trust also undertakes annual internal audit quality assurance checks of priority areas as identified in the Risk Register. Findings are reported to the Risk and Audit committee of Full Trustees.

Staff

Staff with cost centre (purchasing) responsibilities must declare any financial or business interests so the trust can be assured that there are no conflicts of interest and best value is achieved. Interests are declared on a 'Declaration of Pecuniary Interests' form which forms part of the Register of Business Interests. The Register is updated annually and is the responsibility of all relevant personnel to keep declarations up-to-date and accurate.

Payroll

All staff are paid monthly.

Schools process payroll through a four-stage process:

1) **HR:** Processes new starters, leavers or contract changes, with school administrative staff inputting payroll variations (absence, overtime, etc) with guidance notes to show the basis of how variation calculations have been made.
2) **HOS:** check, approve and authorise variations.
3) **Trust Payroll Officer:** checks variations have been calculated and processed correctly.
4) **CFO** randomly checks 10% of all payroll variations each month before providing final authorisation.

Central trust payroll has an amended process:

1) **Trust HR Director:** submits variations to payroll systems.
2) **CEO:** approves variations.
3) **Trust Payroll Officer:** checks variations have been calculated and processed correctly.
4) **CFO:** Makes final check of all variations.

Purchasing

The trust aims to achieve best value in all purchases through the following principles:

Probity: No corruption or private gain involved in any contractual relationship.
Accountability: Being publicly accountable for all expenditure and financial conduct.
Fairness: Managing all parties fairly and equitably.

Procurement is assisted through the Contracts Register which lists all contracts and renewal dates to enable opportunities for bulk purchase discounts.

All purchases must be made through purchase orders on trust systems to ensure accurate oversight of expenditure and reference from which to check incoming goods and services against.

Trust systems must never be used to make personal purchases.

All budget holders have responsibility to effectively manage the funds devolved to them and are provided regular updates to enable this. Different approvals are required for differing expenditure levels as encoded in the financial scheme of delegation (Appendix Two).

Modifying the Scheme of Delegation

The financial scheme of delegation dictates that three separate supplier quotes must be obtained when purchases exceed a certain amount. This requirement is modified in specific circumstances:

a) When dealing with specialist services when three quotes are required – as determined by the Financial Scheme of Delegation - are not feasible or possible. In these instances, the trust will make purchasing decisions based on the limited options available to it.
b) When the trust is satisfied with the level of service offered by a supplier and has a reasonably held belief that it is obtaining value for money. In this circumstance, competitive tendering must take place at least every three years.

Goods and Services Received

All goods received should be checked against the delivery note and original order, with any discrepancies immediately raised with the supplier.

Deliveries should be made to a trust/school address and never to a home/other address without prior approval from the CFO. Invoices are paid through BACS, direct debit, or CHAPS.

Section Two: Miscellaneous

Bonus Payments

HOS may make bonus payments to reward exceptional staff performance. These are normally within roles of key importance to school or trust operation but can include any position.

The CEO CFO, and HR Director must be informed when a HOS intends to do this so, along with a rationale outlining why the staff member's performance can be classed as exceptional. This enables quality assurance of payments, budget forecasts to be updated, and payroll changes made to reflect the payment.

Any payments paid to an individual that total more than £2.5k in the academic year must have prior approval from the CEO to ensure payments are justified.

Debit, Credit and Payment Cards

All cards have appropriate spending limits with guidelines for use as follows:

- Not used for personal purchases.
- Only used with prior approval (excepting emergency situations).
- Purchases accompanied by a receipt.
- Cards securely stored at all times.
- Personal debit or credit cards must not be used without prior approval from the HOS or central trust finance.
- Card or PIN numbers must never be stored or shared.

All transactions are reconciled against monthly statements to ensure there are no unauthorised purchases. Credit card balances are paid in full by direct debit each month.

Fixed Assets

The trust maintains an Assets Register of all IT equipment and items with a purchase price greater than £5k. The CEO and CFO must approve of any asset sale or disposal with some requiring DFE approval. Any sale of land must be agreed in advance with the secretary of state for education. Trust property must not be removed without the authority of the HOS and CFO. Where approved, this must be formally recorded and monitored.

Insurance

The trust is insured through the RPA which provides comprehensive cover for all major risks. Staff should provide no indemnity to a third party without the written consent of the CFO, CEO, and RPA. All insurance claims are managed by the COO.

Payment Management

Wherever possible and practicable, schools encourage parents to make payments through online cashless systems.

When cash is received it must be securely stored in a locked safe, then banked at appropriate intervals to prevent large amounts of cash being held in school (never exceeding £5k). Reconciliation checks are made comparing sums collected; sums deposited at the bank, and posted to school finance systems.

Payments or withdrawals must have two authorised signatories in accordance with bank mandates. The CFO completes bank reconciliations on at least monthly basis comparing details on school finance systems to bank statements.

Petty Cash

Primary and secondary schools operate cashless systems using credit or payment cards. Wherever possible and practicable card usage must be operated like all other expenditure, being entered as a requisition on the finance system with prior budget holder approval.

Special schools may hold petty cash balances to meet the specific needs of their students, but not to reimburse staff purchases.

Risk Management

The trust reviews risks on a termly basis through scrutiny of the Risk Register. Risks identified here inform internal audit processes.

Top Slice Payments

The trust charges each school an annual 5% top slice payment on all income.

Appendix One: Financial Scheme of Delegation

Delegated Duty	Value	Delegated Authority	Further Information
Ordering Goods, Services, and authorising contracts	Up to £10,000	Budget Holder or Head of School	No requirement for three written quotes or tenders.
	£10,000 - £25,000	Head of School and CFO	No requirement for three written quotes or tenders.
	£25,001 to £75,000	Approval from CFO and CEO	Minimum of three written quotes or tenders.
	Over £75,000	Trustee Approval: may be delegated to Chair of Trustees or Risk & Audit Committee	Minimum of three written quotes or tenders
	• 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 cost centres	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 Risk & Audit Committee	
Borrowing	Any amount	Approval from CFO and CEO with referral to Chair of Trustees/Risk & Audit Committee	DfE approval required.
Novel, contentious, and repercussive transactions	Any amount	Approval from CFO and CEO, plus COT/Risk & Audit Committee for amounts more than £50k	DfE approval required
Ex-gratia payments	Any	CFO and CEO approval	DfE approval required
Acquisition and disposal of fixed assets	Acquiring/Disposing Freehold land/buildings and heritage assets	Approval from Trustees	DfE approval required
	Other disposals	CFO and CEO approval	
Write-offs, guarantees, letters of comfort, indemnities	Any	CFO and CEO approval, reported to Risk and Audit committee	DfE approval required
Leases (Not land or buildings)	Up to £10,000	CFO approval	
	£10,001- £50k	CFO and CEO approval	Minimum of three written quotes/tenders
	£50k+	CFO, CEO, COT/Risk and Audit approval	
Leases or Tenancy Agreements for land or buildings	Any Amount	CFO, CEO, COT/Risk and Audit approval	DfE approval required