CARLTON
ACADEMY TRUST

# Financial Procedures Policy

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| **Approved on behalf of Trustees:** | **Gareth Logan** |
| **Date:** | **October 2026** |
| **Next Review Date:** | **October 2027** |

**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**: Head 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 with main findings 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 Trustees meeting. Once set, these are monitored through monthly meetings of the CFO, CEO and COT, and are a standing agenda item at Risk and Audit meetings.

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

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

**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 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 facilitated 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 point 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 – as determined by the Financial Scheme of Delegation - are not feasible. The Trust will then make purchasing decisions based on the 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**

Bonus payments may be made by the CEO or HOS to reward exceptional staff performance. These are usually for very senior school or Trust personnel but exceptionally can include any position.

When a HOS intends to make a bonus payment they must inform the CEO CFO, and HR Director together with a rationale outlining why their performance justifies this payment being made.

Any bonuses greater than £2.5k in the academic year must have prior CEO approval.

**Debit, Credit and Payment Cards**

All cards have appropriate spending limits. Guidelines for use are:

- Not used for personal purchases.
- Only used with prior approval (except 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 Trust Finance Managers complete 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 at Risk and Audit meetings. Identified risks inform subsequent internal audit processes.

**School Budgets and Financial Decision Making**

School budgets are set using the principles of Integrated Curriculum Financial Planning (ICFP).

To maximise their knowledge and engagement with their schools' finances, HOS are asked to develop an annual budget. This will be informed by their preferred curriculum plan and other strategic priorities and developed with the support and guidance of the CFO. Once agreed, these plans will be shared with the CEO and COT for their scrutiny and approval. Where not approved, guidance will be provided as to why and what further steps need to be taken to gain approval. The HOS' financial knowledge is also supplemented by regular budget update meetings throughout the year between them and the CFO and discussion of financial management agenda items at half-termly Heads of School meetings.

Should HOS feel they are being unfairly treated in any major financial decision-making process (budget setting, funds unfairly distributed, top slice too high, etc) they should initially informally register their concerns to the CFO. When still not resolved, they can then register their concerns by formally emailing the CEO. Where the HOS is still not happy with the decision made by the CEO, they can make an appeal to the Risk and Audit committee, who will discuss this and recommend a decision at the next Risk and Audit meeting. There is no further right of appeal following this stage.

**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<br>• 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 |