Cornwall Education Learning Trust

Finance Policy

Financial Services

Cornwall Education Learning Trust (CELT), Atlantic Centre, Trenance Leisure Park, Newquay, Cornwall TR7 2LZ

Cornwall Education Learning Trust

Our Mission

At Cornwall Education Learning Trust (CELT), our mission is clear: to provide every learner with an **exceptional educational experience.** One that enables them to thrive, achieve and succeed in life. We believe in a **100%** mindset, that every learner, in every classroom, in every school, deserves the very best we can offer. For us, 100% means no compromise: no learner left behind, no community overlooked, and no opportunity wasted.

Our strategic goals reflect this ambition. We are committed to empowering and growing our people, building an ambitious all-through entitlement, forging exceptional relationships with our communities, transforming provision through meaningful partnerships, and leading an ethical, effective and innovative organisation. These are not just aspirations; they are promises that shape the way we work and the culture we are building together.

Our Values

Our values are at the heart of everything we do. We believe in the power of **Collaboration**, building strong relationships and working together as one team to achieve our collective goals. We are committed to **Empowerment**, creating a culture where initiative, innovation and trust flourish, and where every individual feels valued, respected and motivated.

As a Trust, we are grounded in promoting **Leadership**, sharing a moral and ethical purpose to improve the lives of others and make a lasting difference for our learners and communities. And we embrace **Transformation**, approaching change positively so that we can all become our best selves and do our best work.

These values guide every decision we make and every action we take. They are the foundation of our Trust and the reason we can offer such exceptional opportunities for our learners and staff. If you choose to join CELT, you will be part of a values-driven organisation where people are supported to grow, contribute, and thrive.

Policy Contents

1. Policy Overview

1.1 Policy Purpose and Aims

The purpose of this Finance Policy is to establish a clear framework for the effective, transparent, and compliant management of the Trust's financial resources. It ensures that public funds are managed responsibly and used to support the Trust's educational objectives, while maintaining financial sustainability and strong governance across all academies and shared services.

The aims of this policy are to ensure that the Trust operates in accordance with the Academies Trust Handbook, its Articles of Association, and all relevant statutory and regulatory requirements. It sets out the principles of financial accountability, internal control, risk management, and oversight, and clarifies roles and responsibilities for those involved in financial decision-making.

The policy applies to all staff, budget holders, Headteachers, Service Leads, Finance Business Partners, the Finance Lead, CFO, Accounting Officer, trustees, and committee members of the Trust. It sets out the framework for managing all financial activities across the Trust, including budgeting, monitoring, reporting, expenditure, and resource allocation.

This policy should be read alongside the Trust's Procurement Policy, Scheme of Delegation, and other related governance policies, which together form the Trust's financial control framework and ensure consistent application across both individual academies and shared services.

1.2 Policy Approval and Review

Policy Version Number:	1
Approved By:	Resources & Infrastructure Committee
Approved On (Date):	
Review Period:	Annual

The policy may be reviewed earlier in response to changes in legislation, the Academies Trust Handbook, or Trust operating arrangements.

1.3 Policy Version History

Policy Version	Date Issued	Summary of Changes
1	January 2026	First Issue – No Changes
2	July 2026	Section 10 – Clarity on acceptable banking institutions, deposit limits and use of third party investment platforms. Additional guidance on card payment facilities to avoid cash usage. Section 13.6 – Amended high value approvals limit to give CFO authority for £20 - £50k. Section 9.1 – Clarified approval limits for in-year use of reserves

2. Policy Definitions and Framework

2.1 Definitions

For the purposes of this policy, the following definitions apply:

- **Academies Trust Handbook (ATH):** The financial management and governance guidance issued by the Department for Education, which sets out mandatory requirements for academy trusts.
- **Accounting Officer:** The senior executive leader (normally the CEO) who is personally responsible to Parliament and the DfE for the proper use of public funds by the Trust.
- **Best Value / Value for Money (VfM):** Achieving the optimum balance between cost, quality and effectiveness over the whole life of a contract, rather than simply choosing the lowest price.
- **Budget Holder:** A member of staff with delegated responsibility for managing an agreed budget and ensuring expenditure remains within approved limits.
- **Capital Expenditure:** Expenditure on assets or projects that provide benefit over more than one financial year and are capitalised in accordance with the Trust's accounting policies.
- **Delegated Authority / Scheme of Delegation:** The formal document that sets out which financial decisions can be made at different levels within the Trust and the associated approval limits.
- **Reserves:** Funds held by the Trust to support financial stability, manage risk, and fund future commitments in line with the Trust's reserves policy.
- **Related Party:** A person or organisation with a close connection to the Trust, such as trustees, members, senior staff, or their close family members, as defined in the Academies Trust Handbook. The full definition can be found in section 33 of FRS102 and section 9.15 of the Charities SORP
- **Procurement Policy:** The Trust policy that sets out the requirements for purchasing goods, works, and services, including thresholds, competition, waivers, and contract extensions.

2.2 Legislation and Statutory Framework

This Finance Policy is informed by and complies with the following legislation, statutory guidance, and regulatory frameworks, which together govern the financial management and accountability of academy trusts in England:

- Academies Trust Handbook (ATH) - DfE
- Academies Accounts Direction (AAD) - DfE
- Academy Trust Funding Agreements
- Companies Act 2006
- Charities Act 2011 and Charity Commission Guidance
- Managing Public Money (HM Treasury)

3. Roles and Responsibilities

3.1 Board of Trustees

The Board of Trustees has overall responsibility and accountability for the financial stewardship of the Trust. This includes ensuring that public funds are used properly, that effective systems of financial control are in place, and that the Trust complies with the Academies Trust Handbook, Funding Agreements, and all relevant legislation.

The Board approves the Trust's annual budget, financial policies, and key financial decisions, and receives regular financial reports to enable effective oversight.

3.2 Chair of Trustees

The Chair of Trustees provides leadership to the Board and supports effective financial governance. The Chair ensures that financial matters are given appropriate consideration by the Board and that trustees are able to fulfil their duties in relation to financial oversight and accountability.

3.3 Committees of the Board

The Board delegates aspects of financial oversight to its committees in accordance with their approved Terms of Reference, while retaining overall accountability.

- **Resources & Infrastructure Committee -** Provides oversight of the Trust's financial planning, budget monitoring, estates, and infrastructure matters, supporting the Board in ensuring financial sustainability and value for money.
- **Audit & Risk Committee -** Oversees the effectiveness of internal control, risk management, internal and external audit, and financial compliance, including compliance with the Academies Trust Handbook.
- **Remuneration Committee -** Oversees pay, remuneration, and performance-related decisions for senior leaders, ensuring these are affordable, transparent, and compliant with relevant guidance.

3.4 Members

Members must be assured that the Trust's finances are properly managed and public funds are used effectively. The Board of Trustees is responsible for keeping Members informed, including providing the audited annual report and accounts, so Members can monitor financial oversight and controls. Members are expected to act if they believe financial governance is failing, ensuring transparency, accountability, and the proper stewardship of Trust resources.

3.5 Trust Leader / Accounting Officer

The Accounting Officer is personally responsible for ensuring the regularity, propriety, and value for money of the Trust's financial activities. The Accounting Officer ensures that robust financial management and internal control systems are in place and that the Trust complies with the Academies Trust Handbook and its Funding Agreements. The Accounting Officer must adhere to the full set of responsibilities outlined in the Academies Trust Handbook, including the statutory "musts" for the role.

3.6 Chief Financial Officer (CFO)

The CFO provides high-level financial leadership and strategic oversight to the Board, Accounting Officer, and committees. This includes advising on the Trust's overall financial strategy, long-term sustainability, resource allocation, and major financial risks, and ensuring compliance with statutory and regulatory requirements. The CFO supports the Board in making informed strategic decisions and ensures that financial policies and frameworks are aligned with the Trust's educational objectives. The CFO is responsible for undertaking relevant ongoing training to discharge their duties effectively.

3.7 Trust Finance Lead

The Trust Finance Lead is responsible for leading Financial Services, combining operational management with strategic delivery. They oversee day-to-day finance operations, including accounting, reporting, and transactional services, while ensuring that strategic financial plans, budgets, and forecasts are implemented effectively across the Trust. The Finance Lead plays a key role in internal and external audit processes, maintains robust financial controls, ensures compliance with policies and statutory requirements, and provides guidance to budget holders to achieve value for money and efficient use of resources.

3.8 Trust Accountant

The Trust Accountant provides technical accounting support across the Trust and works closely with Finance Business Partners to maintain accurate financial records, prepare statutory accounts, reconcile funding streams, and support budget monitoring and forecasting. They are responsible for implementing accounting policies, ensuring proper treatment of grants and restricted funds, and providing guidance to schools and service areas on complex accounting or funding queries.

3.9 Finance Business Partners

Finance Business Partners (FBPs) work closely with Headteachers, Service Leads, and other budget holders to provide financial advice, support, and analysis. They assist in preparing balanced budgets, management accounts, and forecasts, and help monitor financial performance across schools and service areas. Finance Business Partners ensure that financial information is accurate, timely, and aligned with Trust-wide priorities, enabling effective decision-making and compliance with the Academies Trust Handbook.

3.10 Headteachers and Service Leads

Headteachers and Service Leads are responsible for supporting the preparation of balanced budgets for their schools or service areas, in line with Trust-wide financial plans and priorities. They must ensure that expenditure remains within approved limits, that resources are used efficiently, and that financial procedures and policies are followed. Headteachers and Service Leads also work closely with the Finance Lead and Finance Business Partners to provide accurate financial information, monitor financial performance, and support compliance with the Academies Trust Handbook.

3.11 Budget Holders and Other Staff

Budget holders are responsible for managing their delegated budgets in line with approved plans, policies, and the Scheme of Delegation. All staff are responsible for ensuring that financial decisions and commitments comply with this policy and related Trust policies.

4. Financial Governance and Internal Controls

The Trust maintains a robust framework of financial governance and internal controls to ensure public funds are managed with regularity, propriety, and value for money in line with the Academies Trust Handbook. The framework provides clarity on responsibilities, ensures compliance, and mitigates risk across all schools and shared services.

4.1 Roles, Responsibilities and Accountability

Clear accountability for financial management is established at all levels as outlined in the previous section and documented by the Trust Scheme of Delegation.

4.2 Financial Control Framework

The Trust implements a set of internal controls to protect public funds and safeguard assets. Key controls include:

- **Segregation of duties** to reduce the risk of error or fraud.
- **Approval hierarchies and delegated authority** as set out in the Scheme of Delegation.
- **Regular reconciliation and review processes** for all financial transactions, accounts, and ledgers.
- **Budgetary control and variance analysis** to monitor expenditure against approved plans.
- **Risk-based financial policies and procedures,** including guidance on procurement, expense approval, and contract management.

These controls ensure that financial transactions are accurately recorded, authorised, and in line with legal and regulatory requirements, supporting both operational and strategic decision-making.

4.3 Audit and Compliance

The Trust maintains rigorous audit and compliance processes to provide assurance to the Board and Accounting Officer, in line with the Academies Trust Handbook. These processes ensure transparency, accountability, and compliance with statutory and regulatory requirements.

- **Internal Audit –** Independent internal auditors review the Trust's systems, processes, and internal controls, assessing financial and operational risks. Their work is directed by the Audit & Risk Committee with reference to the Trust risk register and they report findings and recommendations directly to the Audit & Risk Committee, which monitors that agreed actions are implemented in a timely manner. As per ATH requirements Trusts with revenue income over £50 million must use either an in-house internal auditor or a bought-in internal audit service for these services.
- **External Audit -** The Trust engages external auditors to review statutory accounts and confirm compliance with the Funding Agreement and ATH requirements. External auditors must be independent of the Trust's management and their appointment, scope, and reporting are approved by the Audit & Risk Committee and the Board. A competitive tendering exercise for this service must be held at regular intervals of no more than five years.

- **Risk Management –** The Trust maintains a live risk register to identify, assess, and mitigate financial and operational risks. The Audit & Risk Committee reviews high-level financial risks regularly and ensures that mitigation strategies are robust.

5. Risk Management

The Trust operates a robust financial risk management framework to identify, assess, and mitigate risks that could impact its financial sustainability, operations, or compliance with statutory and regulatory requirements. This framework supports informed decision-making and ensures resources are used effectively to achieve the Trust's educational objectives. Risk management is conducted in line with the Academies Trust Handbook and other relevant guidance.

5.1 Key Principles

- **Proactive Identification** – Financial and operational risks, including funding changes, staffing costs, pupil numbers, estates, and contractual obligations, are identified early to allow timely mitigation.
- **Assessment and Prioritisation** – Risks are assessed for likelihood and impact to prioritise management actions, with high-priority risks receiving regular review by senior leadership and the Audit & Risk Committee.
- **Mitigation and Control** – Policies, internal controls, insurance, contingency plans, and operational procedures are used to reduce the likelihood or impact of risks.
- **Transparency and Accountability** – Risk ownership is clearly assigned to relevant staff, budget holders, or committees, ensuring accountability for monitoring and management.

5.2 Risk Management Framework

- **Risk Registers** – The Trust maintains a central risk register that records all high level identified financial and operational risks, the assigned owner, mitigation actions, and review dates. The register is reviewed regularly by the Audit & Risk Committee and updated as risks change. Additionally a separate Financial Services register is maintained by the Service identifying risks at an operational level. This is shared with and reviewed by the Audit & Risk Committee for any impact on the overall risk register.
- **Regular Reporting** – Key financial risks are highlighted in management accounts, committee papers, and Board reports to ensure that decision-makers are aware of potential exposures.
- **Audit Integration** - Internal and external audit reviews consider the Trust's risk management processes, and findings are incorporated into risk mitigation plans.
- **Escalation Procedures** – Emerging or significant risks that could affect compliance, financial performance, or the Trust's reputation are escalated promptly to the CFO, Finance Lead, Accounting Officer, and Board as appropriate.

6. Accounting Policies and Financial Systems

The Trust maintains robust accounting policies and financial systems to ensure accurate, timely, and compliant recording of all financial transactions, supporting transparency, auditability, and sound financial management. These arrangements align with the Academies Trust Handbook and statutory reporting requirements.

6.1 Key Principles

- **Accuracy and Completeness** – All financial transactions must be recorded fully and accurately, ensuring that the Trust's accounts reflect its true financial position.
- **Compliance and Consistency**– Accounting policies and systems comply with statutory requirements, the Trust's Funding Agreements, and generally accepted accounting practice for academies. Policies are applied consistently across all academies and shared services.
- **Segregation of Duties** – Key accounting processes, including authorisation, recording, and reconciliation, are designed to minimise the risk of error or fraud by separating responsibilities.
- **Transparency and Auditability** – Systems and records are structured to allow internal and external audit, enabling verification of transactions and adherence to financial policies and controls.

6.2 Operational Arrangements

- **Accounting System** – The Trust uses a centralised accounting system for all income, expenditure, payroll, and asset management. Access is controlled, and users are granted rights appropriate to their role.
- **Recording and Reconciliation** – Transactions are recorded promptly, and reconciliations of bank accounts, control accounts, and ledgers are performed on a regular basis. Significant discrepancies are investigated and resolved.
- **Journal and Adjustment Controls** – Journal entries and other adjustments are reviewed and authorised by the CFO and Finance Lead on a termly basis to ensure accuracy and prevent unauthorised changes.
- **Fixed Assets and Depreciation** – The Trust maintains a fixed asset register and applies depreciation in accordance with the Academies Trust Handbook and the annual Accounts Direction, ensuring that assets are depreciated consistently over their useful economic lives.
- **Income Recognition and Receipts** – All income is logged, monitored, and banked promptly. Control mechanisms are in place to prevent misappropriation and to reconcile expected versus received funds.
- **Reporting** – The accounting system records are used to produce management reports, statutory accounts, and audit schedules to ensure timely reporting to committees, the Board, and external stakeholders.
- **Policy Review** – Accounting policies are reviewed regularly by the CFO to ensure ongoing compliance with statutory guidance and best practice.
- **Secure Storage** - All financial records, including accounting system data, invoices, payroll information, and electronic reports, must be stored securely and backed up regularly in accordance with Trust IT and data protection policies. All financial records will be retained for a minimum period of the current financial year plus the preceding six financial years.

7. Budgeting and Financial Planning

The Trust ensures that all financial planning and budgeting is conducted in a transparent, responsible, and compliant manner, supporting the delivery of its educational objectives while maintaining long-term financial sustainability. Budgeting and financial planning are governed by the principles set out in the Academies Trust Handbook which require that public funds are managed with regularity, propriety, and value for money.

7.1 Key Principles

- **Strategic Alignment** – All budgets are prepared to align with the Trust's strategic priorities, educational objectives, and operational plans. Resources are allocated to ensure that funding supports both shared services and individual academies effectively to provide equity for all learners.
- **Balanced Budgets** – Each academy and central service area must take steps to prepare a balanced budget that reflects expected income and planned expenditure. Where a deficit is unavoidable the reasons behind this must be clearly documented. Headteachers and Service Leads, supported by Finance Business Partners and the Finance Lead, are responsible for ensuring that their budgets are realistic and achievable.
- **Integrated Curriculum Financial Planning** – Budgeting should be integrated with curriculum planning to maximise resources and ensure teaching and learning priorities are financially supported. This includes considering staffing structures, non-contact time, different group sizes, and other operational factors, enabling accurate costing and efficient deployment of resources across the curriculum.
- **Value for Money and Efficiency** – Budgeting decisions are informed by the principle of achieving value for money, ensuring that resources are used efficiently, cost-effectively, and sustainably to support the Trust's educational outcomes.

7.2 Budget Setting Framework

- **Medium-Term Financial Planning** – The Trust develops rolling medium-term financial plans (typically 3 years) to support long-term sustainability, identify potential risks, and plan for investment in key priorities. These budgets are informed by actuals and forecasts in the current year along with known future changes and estimated pupil numbers. The CFO provides oversight of these plans and ensures they are reviewed regularly by the Board and relevant committees before being approved in time to submit the Budget Forecast Return (BFR) to the DfE in accordance with statutory deadlines.
- **Reapproval of Budgets** – Final budgets may be reapproved in September to reflect updated information, including staffing changes or revised funding allocations. This ensures that each academy and service area operates with an up-to-date, realistic financial plan.
- **Trust Redistribution Mechanism** – To support equitable budgeting, the Trust may redistribute surpluses or deficits across its academies so that every school begins the financial year with a zero budget to work to ensuring consistency and alignment with Trust-wide priorities.
- **Use of Reserves** – Where an overall deficit budget is planned Trustees can approve the use of reserves to support this within the limits of the Trust reserves policy and Scheme of Delegation. Where a deficit budget cannot be addressed using reserves, the Board must notify the DfE

within 14 calendar days of the Board meeting via the customer help portal, as required by the Academy Trust Handbook.

8. Financial Reporting and Monitoring

The Trust maintains robust financial reporting and monitoring arrangements to ensure that resources are used effectively, budgets are adhered to, and decision-makers at all levels have timely and accurate information. These processes are designed to meet the requirements of the Academies Trust Handbook, ensuring regularity, propriety, and value for money.

8.1 Key Principles

- **Transparency and Accountability** – Financial reports must provide a clear and accurate picture of the Trust's financial position, enabling the Board, committees, and budget holders to make informed decisions.
- **Timeliness and Accuracy** – Reports should be prepared regularly and reflect actual income and expenditure compared to approved budgets. Financial information must be accurate, consistent, and reliable.
- **Proportionality** – Reporting requirements are scaled to reflect the level of responsibility, with high-level reports for the Board and committees and more detailed management information for budget holders and operational leaders.
- **Integration with Planning and Risk** – Financial reporting supports monitoring of strategic objectives, operational priorities, and risks, ensuring that any variances, overspends, or emerging financial issues are identified promptly.

8.2 Reporting Framework

- **Management Accounts** – The Trust produces monthly management accounts for schools, shared services, and the Trust as a whole. These reports include actual income and expenditure, budget variances, and commentary on key issues or risks along with rolling forecasts projecting expected income and expenditure to year-end. This allows the Trust to take early corrective action if necessary and supports medium-term financial planning.
- **Reporting to Committees** – Monthly management accounts are provided to the Chair of Trustees and Chair of Resources & Infrastructure Committee. Other financial reports and updates are provided to the Resources & Infrastructure Committee at each meeting and key issues are highlighted to the Audit & Risk Committee as appropriate.
- **Budget Holder Reporting** – Budget holders receive regular reports on their delegated budgets and are responsible for monitoring expenditure, identifying variances, and taking corrective action in consultation with Finance Business Partners.
- **Exception Reporting**– Significant deviations from budgets, unexpected costs, or potential breaches of delegated limits are reported immediately to the Finance Lead, CFO, and Accounting Officer, and escalated to the Board or committee as required.
- **Compliance with External Requirements** - The Trust ensures that all statutory financial returns, are submitted to the DfE in line with required deadlines.

9. Reserves Policy

The Trust maintains a robust reserves policy to ensure financial stability, flexibility, and the ability to respond to unforeseen expenditure or funding fluctuations. Reserves are an integral part of the Trust's financial planning and governance framework and are managed in line with the Academies Trust Handbook.

9.1 Key Principles

- **Strategic Use of Reserves** – Reserves may be used to:
  - Support approved deficits where necessary.
  - Fund one-off investments or strategic initiatives subject to approval as below.
  - Smooth out temporary funding fluctuations or respond to urgent operational needs.

- **Oversight and Governance –** The Board of Trustees approves the reserves policy and reviews the level of reserves annually as part of budget approval and financial reporting. Any in-year projects drawing on reserves must be approved by the Trust Lead and CFO with any over £50,000 requiring approval by the Resources & Infrastructure Committee. The CFO is responsible for monitoring reserves, ensuring their use aligns with approved plans, and reporting on any planned drawdowns or reallocations.

9.2 Minimum Reserves Level

The Trust aims to maintain a minimum reserves level of 5% of total General Annual Grant (GAG) funding in addition to specific reserves agreed by the Executive Leadership Team. This provides a prudent buffer against unforeseen risks, ensures liquidity, and supports medium-term financial sustainability.

9.3 Pooling of Reserves

The Trust has agreed to pool all permitted reserves at the end of each financial year to provide maximum flexibility in supporting individual academies and shared services. Schools may retain and carry forward any ring-fenced unspent funds such as PPP funding or restricted donations separate to this, subject to Board approval. Specific reserves may be ring-fenced centrally for future projects, such as astro-turf replacement at all secondary and one junior schools.

9.4 Treatment of Reserves for Joining Academies

Upon conversion or transfer into CELT all surplus or deficit funds relating to GAG income streams are pooled unless otherwise agreed as part of the legal conversion or transfer document. Agreed balances not pooled are managed and reported in line with the conversion or transfer agreement.

9.5 Treatment of Reserves for Leaving Academies

If CELT has a surplus restricted revenue reserve:

- a constituent academy leaving CELT with a deficit revenue balance, from the non-pooled restricted revenue income, will leave CELT with that deficit revenue balance
- a constituent academy leaving CELT with a surplus revenue balance, from the non-pooled restricted revenue income, will leave CELT with that surplus revenue balance

If CELT has a deficit restricted revenue reserve:

- a constituent academy leaving CELT with a deficit revenue balance, from the non-pooled restricted revenue income, will have its share of the pooled deficit revenue balance calculated and added to the deficit revenue balance that the constituent academy will leave CELT with. The calculation of the constituent academy's share will be based on pupil numbers.
- a constituent academy leaving CELT with a surplus revenue balance, from the non-pooled restricted revenue income, will have it's share of the pooled deficit revenue balance calculated and deducted from the surplus revenue balance that the constituent academy will leave CELT with. The calculation of the constituent academy's share will be based on pupil numbers.

10. Cash Management and Investment Policy

The Trust maintains effective cash management arrangements to ensure sufficient liquidity to meet operational needs, safeguard public funds, and optimise the use of resources. Cash management is conducted in line with the Academies Trust Handbook and complements the Trust's broader reserves and financial planning framework.

10.1 Key Principles

- **Liquidity and Operational Stability** – The Trust ensures that sufficient funds are available to meet day-to-day operational commitments including payroll and supplier payments. Investments must not compromise operational stability and fixed term deposit end dates should be staggered to ensure appropriate access to funds as required.
- **Segregation of Duties and Control** – Cash handling, bank reconciliations, and payment authorisation processes are subject to robust internal controls and segregation of duties to prevent error, fraud, or misappropriation.
- **Prudent Investment of Surplus Fund** – Any temporary surplus cash may be invested to achieve additional returns while maintaining liquidity. Acceptable investments are limited to low-risk, short-term (up to 12 months) instruments held with FCA regulated banking institutions that hold a UK banking licence and command broad public support. Investments with institutions with less than an A grade rating will be limited to £120,000 including accrued interest and must be part of the FSCS deposit guarantee scheme which protects deposits up to this limit.

10.2 Cash and Investment Framework

- **Cash Flow Forecasting** – Cash flow forecasts are prepared monthly as part of the management accounts to anticipate peaks and troughs in receipts and payments and to plan for operational and strategic needs.
- **Investment Governance** – The CFO has delegated responsibility for identifying an appropriate level of funds that can be invested and for approving any investment of surplus funds, in accordance with the Trust's risk appetite and cash requirements. The Trust will maintain sufficient balances in instant-access accounts to meet all financial commitments and avoid the risk of overdraft, while retaining flexibility to manage reasonable one-off events.
- **Bank Account Management** – All Trust bank accounts are held in the name of the registered company and monitored and reconciled regularly. Bank signatories are limited to an approved list of staff with authorisations applied in accordance with delegated authorisation limits.
- **Third-Party Support** – To facilitate investments with multiple institutions and thereby reduce risk through the spreading of funds, the Trust allows the use of the Insignis savings platform, as approved by the DfE.

10.3 Cash Floats

A minimal petty cash float may be maintained for small, incidental expenses usually no greater than £10 and subject to approval as with any other purchase. Usage is strictly controlled, recorded, and reconciled regularly to ensure compliance with Trust financial policies. Petty cash tins must be always locked and kept in a secure location with access limited to authorised personnel only.

The Trust holds a Sum Up card payment machine which can be used by schools to avoid taking cash payments. Any cash payments taken must be handled as per the Trust cash procedures and banked without delay.

11. Borrowing and Lease Arrangements

11.1 Key Principles

The Trust must ensure that all borrowing and lease arrangements are undertaken with propriety, regularity, and value for money, in accordance with the Academies Trust Handbook. Any financial commitment must be fully documented, approved within the Scheme of Delegation, and, where required, submitted for prior DfE approval before entering into the arrangement. The Finance Lead is responsible for reviewing all proposals to ensure compliance with statutory requirements, accounting standards, and Trust financial controls.

11.2 Borrowing

The Trust must not enter into any borrowing arrangements without prior approval from the Department for Education (DfE). Borrowing includes, but is not limited to, loans, overdrafts, finance leases, hire purchase agreements, and any other credit or deferred payment arrangements that are repaid from grant funding or secured on assets funded by grant monies. Approval is required before any commitment is made and is only granted in exceptional circumstances. All borrowing arrangements must be approved by the Board of Trustees, documented, and appropriately disclosed in the Trust's financial statements.

11.3 Leases

The Trust recognises that there are two types of leases under the Academies Trust Handbook and current accounting standards:

- Finance leases, which are treated as a form of borrowing.
- Operating leases, which are generally not considered borrowing but must be evaluated for accounting recognition.

The Trust must obtain prior DfE approval for the following lease arrangements:

- Entering into a finance lease for any asset not on the DfE's approved list of leased assets.
- Entering into a leasehold or tenancy agreement for land or buildings with a term of seven years or more.
- Granting a leasehold interest in land or buildings to another party.

For other operating leases (e.g., equipment, vehicles, short-term assets), DfE approval is not required, but the Trust must ensure that all arrangements deliver value for money, are properly authorised, and comply with the principles of propriety and regularity. Under current accounting standards, certain operating leases may need to be capitalised on the balance sheet, and the Finance Lead must review all arrangements to ensure proper accounting treatment.

12. Capital Expenditure and Asset Management

Capital expenditure represents investment in the Trust's long-term assets, including land, buildings, major equipment, and ICT infrastructure. Proper management of capital expenditure is essential to ensure propriety, regularity, value for money, and compliance with the Academies Trust Handbook, including any conditions attached to funding such as School Condition Allocation (SCA).

12.1 Key Principles

- **Value for Money** – All capital expenditure must deliver maximum benefit for the Trust, considering cost, quality, and long-term sustainability.
- **Approval and Delegation** – All capital projects must be approved at the appropriate level in the Scheme of Delegation before any commitment is made.
- **Strategic Estates Management** – The Trust oversees the maintenance, safety, and strategic use of all buildings, grounds, and infrastructure, ensuring compliance with legal, regulatory, and sustainability requirements.
- **Accounting and Asset Management** – Capital items must be recorded as assets, depreciated in line with the Trust's accounting policies, and managed throughout their lifecycle, including security, impairment review, and disposal.
- **Procurement Compliance** – All capital expenditure must comply with the Trust's Procurement Policy, including competitive tendering, waivers, and related party rules.
- **Budget Planning and Forecasting** – Capital projects should be planned, budgeted, and included in medium-term financial forecasts to ensure proper financial control.

12.2 Operational Considerations

- **Budget Integration** – All capital projects must be included in the annual budget and monthly forecasts to ensure funding is available and any potential impact on reserves or revenue budgets is understood.
- **Funding Sources** – Capital projects may be funded from GAG, reserves, SCA funding, or approved borrowing, in line with Trust governance, funding conditions, and the Scheme of Delegation.
- **Asset Security** – All capital assets must be physically secured, insured, and maintained to protect the Trust's property and ensure continuity of operations.
- **Asset Impairment** – Assets should be regularly reviewed to assess whether their carrying value is recoverable. Any impairment must be recognised in accordance with accounting policies and documented for audit purposes.
- **Asset Disposal** – Assets no longer required must be disposed of responsibly, ensuring propriety, value for money, compliance with Trust procedures, and adherence to environmental sustainability and data security requirements. Disposal methods should maximise recovery value where appropriate and maintain transparency.
- **Record Keeping** – All capital assets, including acquisitions, movements, impairments, and disposals, must be recorded in the Trust's fixed asset register, with records maintained for audit and statutory reporting.

13. Expenditure Control and Payment Procedures

The Trust ensures that all expenditure is properly authorised, recorded, and monitored in line with statutory requirements and the Academies Trust Handbook. All expenditure must also comply with the Trust's Procurement Policy, including thresholds, quotes, competitive procedures, and any approved waivers. Expenditure control is fundamental to safeguarding public funds, maintaining financial integrity, and achieving value for money.

13.1 Key Principles

- **Authorisation and Delegation**– All expenditure must be authorised in accordance with the approved authorisation limits. Staff may only commit funds within their approved authorisation limits, and approvals must follow the prescribed hierarchy.
- **Regularity and Propriety** – Expenditure must be legal, appropriate, and in line with the Trust's objectives and policies. Payments should not be made for personal benefit or outside the scope of Trust-approved activities.
- **Value for Money** – All expenditure should be cost-effective and proportionate, ensuring that resources are used efficiently to achieve the intended outcomes.

13.2 Operational Arrangements

- **Invoice and Payment Processing** – All invoices and payment requests are verified for accuracy, completeness, and authorisation before payment. Supporting documentation must be retained for audit purposes.
- **Payment Methods** – Payments are made through approved methods, typically BACS, CHAPS, or other electronic systems, ensuring secure and traceable transactions subject to strict authorisation limits. Petty cash may be used only for minimal, essential expenses in line with controls outlined in the Cash Management section. Direct Debit mandates must be authorised by two approved bank signatories in accordance with the bank mandate.
- **Corporate Charge Cards** – Staff may only use corporate charge cards where standard ordering procedures cannot be used or a significant saving will be obtained through use. Individual card limits are set by the Finance Lead with all purchases subject to the same prior approval process as any other purchase in accordance with the Trust charge card usage procedures. All card transactions must be reconciled monthly and supported by receipts.
- **Commitment Control ("No PO, No Payment")** – All expenditure must be formally committed via an approved purchase order (PO) before goods or services are received in accordance with Trust procurement procedures. Payments will not be processed without a corresponding PO in the accounting system and on the invoice. Budget holders are responsible for ensuring sufficient budget is available before raising a PO, and all POs must be authorised in accordance with the delegated authorisation limits.
- **Segregation of Duties** – Payment processing is structured to ensure that no single individual can both authorise and execute a payment, reducing the risk of error or fraud.
- **Authorisation Levels** – Expenditure above specified thresholds requires higher-level approval, escalating to the CFO, Finance Lead, or Board as defined by the delegated authorisation limits.
- **Alcohol** - Trust funds cannot be used to purchase alcohol for consumption in line with principles of regularity and propriety of public funds.

- **Record Keeping** – All payment records, including invoices, authorisations, and supporting documentation, are retained and archived to meet statutory requirements and facilitate internal and external audit.
- **Exception Reporting** – Any unauthorised or unusual expenditure must be reported immediately to the Finance Lead, CFO, and Accounting Officer, with corrective action taken where necessary.

13.3 Staff-Related Payments

- **Staff Reimbursements** – Any staff-initiated expenditure, including travel claims, must be claimed in accordance with the Trust staff reimbursement and travel expenses guidance, with receipts provided and claims authorised according to the delegated authorisation limits. Reimbursements will not be processed without evidence of expenditure and appropriate prior approval. Claims must be made within a reasonable time limit and within the financial year/academic year the purchase took place.
- **Recruitment Expenses** - Incidental costs incurred by candidates or staff during the recruitment process (e.g., travel, meals, or modest accommodation) must be authorised in advance and reimbursed in accordance with Trust procedures. Receipts or other supporting documentation must be submitted to the finance team, and all payments processed through the Trust's standard payment controls. Staff should refer to the recruitment expenses guidance for detailed advice.
- **Payroll and Overtime** – All salary, overtime, and additional payments must be authorised in accordance with the Scheme of Delegation and processed through the Trust payroll system as per Trust People Services procedures. All payroll processes must also comply with relevant HR policies, including statutory entitlements, maternity/paternity leave, redundancy, and other employment-related payments. Trust HR procedures should be consulted to ensure consistency and compliance. Appropriate records must be maintained for audit purposes.
- **Severance, Settlement, and Contract Variations** – Any severance payments, settlement agreements, or contractual variations must be approved in line with the Scheme of Delegation and People Services policies and recorded accurately in the payroll and finance systems. Such payments must comply with the principles of propriety, regularity, and value for money with clear rationales documented and retained for audit purposes. Prior DfE approval is required for:
    - Severance payments including a non-statutory or non-contractual element of £50,000 or more
    - Exit packages at or above £100,000 including a special severance payment
    - Employees earning over £174,000

13.4 Trustee Expenses

Trustees may be reimbursed for reasonable expenses necessarily incurred in carrying out their duties, in line with the Trust's Scheme of Delegation and financial policies. All claims must be supported by receipts or evidence of expenditure, submitted in a timely manner, and approved by the CFO or Trust Leader. Expenses should be modest, appropriate, and in line with public expectations, ensuring transparency, propriety, and value for money.

13.5 Novel, Contentious, or Repercussive Transactions

The Trust requires heightened scrutiny for any financial transaction that is novel, contentious, or could have reputational, legal, or financial repercussions ("NCR Transactions").

- **Novel transactions** – Transactions of which the Trust has no prior experience or that are outside its normal range of business.
- **Contentious transactions** – Transactions that may attract criticism from Parliament, the public, or the media.
- **Repercussive transactions** – Transactions likely to set a precedent, create pressure on other trusts or the wider public sector, or generate additional costs for other parts of government.

No NCR transaction may proceed without explicit prior DfE approval. All proposed transactions must be reviewed in advance by the CFO and Accounting Officer, with a clear rationale, risk assessment, and supporting documentation prepared to demonstrate propriety, regularity, and value for money. Outcomes of the DfE review must be recorded, and the transaction monitored to ensure compliance, transparency, and auditable oversight.

13.6 Delegated Expenditure Authorisation Limits

Order authorisations within the agreed budget	Up to £20,000	Headteacher or other nominated member of Trust or Academy Leadership as recorded on finance system as budget approver
	Over £20,000 and up to £50,000	Budget Approver + CFO
	Over £50,000	Budget Approver + Trust Leader
Goods receiving pre-authorised order invoice	Any value	Appropriate staff member who ordered/ received the goods or service
Authorisation of ordered goods and services within the agreed budget **over 2% of the approved ordered value**	Any value	Headteacher or other nominated member of Trust or Academy Leadership as recorded on finance system as budget approver

BACS and other bank transfer	up to £500,000 of payments within a batch	Two authorised signatories
	over £500,000 of payments within a batch	Three authorised signatories, one of whom to be the Trust Leader, CFO or Deputy Trust Lead (Operations)

14. Income Management and Debt Recovery

The Trust ensures that all income is accurately identified, promptly recorded, and effectively collected in accordance with the Academies Trust Handbook, funding agreements, and internal financial controls. Robust income management and debt recovery arrangements support cash flow, protect public funds, and ensure transparency and accountability.

14.1 Key Principles

- **Completeness and Accuracy**– All income due to the Trust must be identified, invoiced where appropriate, and recorded accurately in the accounting system, ensuring the Trust's financial records reflect its true financial position.
- **Prompt Collection**– Income due should be collected promptly and without undue delay, minimising outstanding balances and reducing the risk of non-recovery.
- **Segregation of Duties** – Responsibilities for raising invoices, receiving income, and reconciling records are appropriately separated to reduce the risk of error or misuse.
- **Regularity and Propriety**– Income generation activities must be lawful, appropriate, and consistent with the Trust's charitable objectives and funding agreements.

14.2 Operational Arrangements

- **Income Identification and Invoicing** – All income streams, including grants, trading income, lettings, recharge arrangements, and other receivables, are identified and invoiced promptly where required.
- **Electronic Receipts** – Income is primarily received via BACS, ParentPay, or other approved electronic systems, providing secure, auditable, and efficient collection.
- **Receipt, Banking, and Cash Handling** – All income received is recorded promptly and banked without delay. The use of cash and cheques is discouraged, but where unavoidable, income must be handled securely, including safe storage, dual verification or counting where practicable, and appropriate segregation of duties. Regular reconciliations are performed between income records and bank statements.
- **Debt Monitoring** – Outstanding debts are monitored on a regular basis through aged debtor reports, with responsibility assigned for reviewing and following up overdue balances.
- **Debt Recovery Procedures** – The Trust applies a proportionate and consistent approach to debt recovery, including reminders by post, email or phone and escalation where necessary as set out by the Trust debt recovery procedures. Debt recovery plans may be agreed to where appropriate. Any decision to write off a debt must be approved in accordance with the Scheme of Delegation and recorded appropriately as per the limits set out below.
- **Student Debts** - Outstanding debts will remain due while the student is on roll within the Trust. Where a student transfers between academies within the Trust, any outstanding balance will transfer with them. Participation in optional activities or trips may be restricted until the debt is settled or an agreed repayment plan is in place.
- **Lettings Income** – Income from lettings is managed in accordance with the Trust's Lettings Policy, which sets out the approved approach to pricing, invoicing, and collection.
- **Bad Debt Provision and Write-Offs** – Provisions for irrecoverable debts are considered where appropriate, and write-offs are managed transparently and reported to the Board or relevant committee as required.

14.3 Delegated Debt Write-Off Authorisation Limits

Up to £1,000 individual debt	Finance Lead	Evidence of recovery attempts retained
£1,001 - £5,000 individual debt	CFO	Written justification and confirmation that recovery action has been exhausted or is no longer cost-effective
£5,001 - £10,000 individual debt	Accounting Officer	As above, report to Audit & Risk Committee at next meeting
Over £10,000 individual debt	Board of Trustees	Summary of circumstances and recovery actions taken to be provided for consideration
Over £45,000 or 1% total annual income individual debt	DfE consent required	
Over 5% of total annual income cumulatively in any financial year	DfE consent required	

14.4 Charity Giving

Fundraising for charitable purposes is supported by the Trust, with all collections in its name or on its premises subject to proper authorisation and management.

- **Authorisation** – Collections require approval from the relevant headteacher via the Charity Collection Authorisation Form.
- **Collection Methods** – Charity collection organisers may:
    - Collect and bank directly into the charity's own account
    - Collect via ParentPay with the charity account recorded on the system
    - Collect and bank via the CELT bank account before transferring to the charity
- **Cash Handling and Security** – All charity income must be counted by a minimum of two people, recorded daily where possible, and stored securely, in line with Trust cash security procedures.
- **Banking and Payments** – Income must be banked intact, with related expenses processed under existing CELT payment procedures, and net proceeds paid to the charity as detailed on the Charity Collection Authorisation Form.

15. Taxation

The Trust must comply with all relevant taxation legislation, including VAT, PAYE, National Insurance contributions, and corporation tax where applicable. The CFO and Financial Services team are responsible for ensuring that all tax liabilities are correctly calculated, recorded, and reported in accordance with statutory requirements and the Academies Trust Handbook. Staff involved in income collection, procurement, or payroll must follow Trust procedures and seek guidance from the finance team where required.

16. Financial Integrity

The Trust is committed to maintaining the highest standards of financial integrity, transparency, and accountability. All staff, governors, and trustees have a responsibility to ensure that public funds are used properly and that any suspected fraud, bribery, money laundering, or irregularity is reported and addressed appropriately.

16.1 Key Principles

- **Zero Tolerance** – The Trust operates a zero-tolerance approach to fraud, theft, bribery, or financial irregularity, in accordance with the Academies Trust Handbook.
- **Responsibility and Accountability** – All staff and Trustees are responsible for safeguarding Trust assets and reporting any suspicion of malpractice.
- **Transparency and Reporting** – Suspected irregularities should be reported promptly to the Accounting Officer, CFO, or Finance Lead, in line with the Trust's internal reporting procedures. Serious concerns may also be reported to the DfE, external auditors, or law enforcement, as appropriate.
- **Protection for Whistleblowers** – The Trust encourages staff to raise concerns about financial malpractice without fear of reprisal, in line with the Trust's Whistleblowing Policy and employment legislation.
- **Staff Awareness and Training** – The Trust provides appropriate training and guidance to all staff on fraud, bribery, anti-money laundering, and whistleblowing responsibilities to ensure awareness of their obligations and the procedures for reporting concerns.

16.2 Fraud and Irregularity

The Trust maintains robust internal controls to prevent and detect fraud, theft, or financial irregularity. All suspected cases are investigated promptly and confidentially, and outcomes are reported to the Accounting Officer and relevant committees. Where malpractice is confirmed, the Trust will take appropriate recovery, disciplinary, or legal action. Lessons learned from investigations are used to strengthen controls and minimise the risk of recurrence.

16.3 Bribery

The Trust prohibits all forms of bribery or inducement, whether giving, receiving, or facilitating them, in line with the Bribery Act 2010. All staff and trustees are expected to act with integrity in all Trust business dealings. Any suspected bribery must be reported immediately to the Finance Lead, CFO, or Accounting Officer, and will be investigated in line with Trust procedures.

When offering gifts or hospitality in connection with Trust business, staff and trustees must ensure that the value is reasonable, maintaining propriety and regularity in the use of public funds, and the decision is properly documented. All gifts or hospitality must be transparent, proportionate, and must not seek to influence or appear to influence the actions of suppliers, contractors, or other third parties.

16.4 Anti-Money Laundering

The Trust is vigilant in preventing the Trust from being used for money laundering, terrorist financing, or other financial crime. Staff must be alert to suspicious activity in financial transactions, including those involving suppliers, contractors, or other third parties. The Trust complies with statutory AML obligations, including the Proceeds of Crime Act 2002 and the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017.

When engaging suppliers, contractors, or service providers, appropriate due diligence must be carried out to verify their legitimacy and ensure that funds are not derived from criminal activity. Staff must report any suspected money laundering or unusual transactions immediately to the Finance Lead or CFO. The Trust maintains records of all checks, monitoring, and reporting as required by law, and ensures that any suspicious activity is escalated appropriately, in line with internal procedures and regulatory requirements.

16.5 Whistleblowing

Staff are encouraged to raise concerns in good faith about financial malpractice, including fraud, bribery, or money laundering. Concerns can be raised confidentially and without fear of reprisal, following the Trust's Whistleblowing Policy. The Trust is committed to investigating all genuine concerns thoroughly and taking appropriate action where necessary.

16.6 Acceptance of Gifts and Hospitality Policy

All staff, trustees, and governors must ensure that any gifts, hospitality, or benefits received or offered in connection with Trust business are transparent, proportionate, and do not create a real or perceived conflict of interest. Accepting or offering gifts or hospitality that could influence, or appear to influence, decisions is strictly prohibited.

Gifts over £50 should be politely refused unless there are compelling reasons to accept, in which case they must be recorded in the Trust's Gifts and Hospitality Register and donated to the Trust for charitable use. This ensures compliance with the Bribery Act 2010, maintains public trust, and protects the integrity of the Trust's decision-making.

16.7 Staff Wellbeing and Discretionary Gifts

The Trust recognises that small discretionary gifts for staff or related individuals, such as flowers or cards for births, bereavements, or other personal occasions, may be appropriate. Such gifts should be reasonable in value and authorised within the Scheme of Delegation. These internal, goodwill gestures are distinct from business-related gifts and hospitality and do not need to be recorded in the Gifts and Hospitality Register. Such gifts will instead be recorded through the finance system to allow for monitoring to ensure they are not excessive.

16.8 Charitable and Political Donations

The Trust may make charitable donations where appropriate, provided they are approved within the Scheme of Delegation, documented, and align with the Trust's objectives. All charitable contributions must be reasonable in value, transparent, and in line with public fund requirements.

The Trust does not make political donations or contributions, and any exceptions must be approved by the Board and fully documented.

All donations, whether charitable or political, must be reported in line with the Trust's financial reporting and audit requirements to ensure accountability and transparency.

16.9 Cybercrime

The Trust strictly prohibits the payment of any ransom, demand, or extortion arising from cyberattacks, including ransomware or other malicious digital activity. Any attempted cyber extortion must be reported immediately to the IT Lead, Finance Lead, and Accounting Officer. No staff, contractors, or third parties are authorised to make payments, and the Trust will rely on established cyber incident response procedures, law enforcement support, and insurance arrangements to mitigate impacts. This approach ensures compliance with legal obligations, protects Trust assets and public funds, and reinforces the Trust's commitment to financial integrity and robust internal controls.

16.10 Reporting

In accordance with the Academies Trust Handbook, the Trust reports any material financial irregularity, fraud, bribery, or money laundering concern to the DfE and external auditors in a timely manner. Reporting ensures transparency, compliance, and accountability in the management of public funds.

17. Related Party Transactions

The Trust must ensure that all related party transactions (RPTs) are conducted with transparency, propriety, and regularity, and represent value for money. A related party includes individuals or organisations that have a close relationship with the Trust, including Members, Trustees, senior employees, and their close family members, as well as organisations they control or significantly influence.

All Members, Trustees, and key management personnel are required to declare any actual or potential related party interests through annual declarations and on an ongoing basis as circumstances change. A central Register of Interests is maintained by the Trust and reviewed regularly. Trustees must also declare any relevant interests at the start of meetings where Trust business is discussed.

In accordance with the Academies Trust Handbook, the Trust must report all contracts and other agreements with related parties to the Department for Education (DfE) in advance of the contract or agreement commencing or being renewed, using the DfE's related party on-line form. In addition, the Trust must obtain prior DfE approval for any contract or agreement for the supply of goods or services by a related party agreed on or after 1 September 2023, where the total value exceeds £40,000 in the same financial year ending 31 August.

Contracts with a related party are subject to specific "at cost" requirements other than transactions with:

- A religious authority providing services to protect and develop a faith-designated academies religious character and ethos
- a college, university or school which is a sponsor of the Trust
- any other state funded school (including an academy) or college

Where the Trust's cumulative annual expenditure with a related party other than those listed above exceeds £2,500 in any one financial year, the element of the contract value above £2,500 must be charged at no more than cost. The Trust must be able to demonstrate that costs are reasonable, directly attributable, and properly evidenced, in line with the Academies Trust Handbook. This "at cost" requirement does not apply to:

All related party transactions must be identified at the earliest opportunity, fully documented, and approved in line with the Trust's Scheme of Delegation. Where procurement activity is required, related party transactions must also comply with the Trust's Procurement Policy, including the use of formal procurement processes or an approved waiver where applicable. All related party transactions must be appropriately recorded and disclosed in the Trust's statutory financial statements in line with the Academies Trust Handbook.