Master Finance Policy 2026-2027

Policy Tracker – Responsibility for monitoring this policy: CFO (Reviewed annually – date of next review September 2027)			
Date of Review	**Reviewed By:**	**Role**	**Date Approved by Board**
September 2026	LJ Garfield	CFO	19th October 2026
September 2025	LJ Garfield	CFO	21st October 2025
September 2024	LJ Garfield	CFO	7th October 2024
April 2024	LJ Garfield	CFO	Autumn 2024
September 2023	LJ Garfield	CFO	Autumn 2023
22/02/2023	Services 4 Schools (Ryan Cadd)	Consultant	Spring 2023
09/09/2022	Carly Beale	CFO	Autumn 2022
14/09/2021	Vicky Glazzard & Carly Beale	CFO	Autumn 2021
28/07/2020	Vicky Glazzard & Carly Beale	CFO	Autumn 2020
01/10/2019	Vicky Glazzard & Carly Beale	CFO	Autumn 2019

Contents 1

Our trust 5
The way it works 5
The Trust Board 5
Purpose of this Document 5
The Status of these Regulations 5
Organisation of Finances 6
Board of Directors 6
Organisational Structure (as at September 2025) 8
The Chief Executive Officer 8
The Chief Finance Officer 9
Academy Executive Headteacher/Headteacher 9
Academy Finance and Administration Teams 9
Scheme of Delegation 9
Central Charges to Trust Academies 10
Appeals process to Trust policies: 10
Openness and Integrity 11
Value for money 11
Regularity, propriety, value for money and feasibility 11
Register of Business Interests 11
Connected parties 12
Receiving gifts or hospitality 12
Fraud and corruption 13
Novel and contentious transactions 13
Whistle blowing 13
The full procedure for whistle blowing is set out in the ***Whistle-blowing Policy*****.** 13
Financial Planning & Month End Reporting 13
Financial Strategy 13
Setting the Budget and Three-Year Forecast 14
Financial planning of new areas of activity (areas other than core education funding) 14
Reserves 14
Budgetary control 15
Monthly Financial Reporting 15
Financial Systems 15
Accounting system 15

Bank Accounts 15
Deposits 16
Payments and withdrawals 16
Administration 16
Petty Cash & Cash Income 16
BACS Payments 16
Document retention 17
Systems back-up and security 17
Income 17
Debt recovery and write offs 18
Aged debtors: 18
Pupil debts - trip income 18
Pupil debts – catering income 18
Payroll, overtime and expenses 19
Staff appointments and hiring 19
Payroll & Pension Administration 19
Salary advances 20
Payments 20
Severance payments 20
Purchasing and tendering 21
Internal Recharges 21
Credit cards 22
Cash and banking 23
New Suppliers 23
Journal adjustments 24
VAT 24
Capital Accounting 24
Cash Management 24
Internal Control Framework 25
Risk management 25
Segregation of duties 25
Monitoring and control of Academies 25
Academies in financial difficulty or those designated “High-Risk” 25
Internal Audit 25
External Audit 26

Investments....26
Leasing....26
Nolan Principles (The Seven Principles of Public Life)....26
Glossary....27

Our trust

Hales Valley Trust is a Multi-Academy Trust ('the Trust'), which is run by the Trust Board and is accountable to the Department for Education ('the DfE').

The Directors of the Trust Board are appointed by the Members of the Trust. Term of office is 4 years and there are 6 meetings per year.

The way it works

The Trust Board has overall legal responsibility for the operation of the Trust and all of the Academies.

The Trust Board delegates certain functions or responsibilities to its executives or to Trust Committees. Full details can be found in the Scheme of Delegation under key information on the Hales Valley Trust website.

The Trust Board

Many of the Trust Board's responsibilities fall within the remit of the Terms of Reference for either:

- its Finance, Audit & Risk Committee, or
- its Curriculum & Standards Committee

Where functions are to be carried out by a committee this is identified in the Scheme of Delegation. If no Committee is mentioned the full Trust Board will deal with the matter.

Purpose of this Document

These Financial Regulations are to provide control over the Trust's resources and provide management with assurances that resources are being properly applied for the achievement of the Trust's objectives on a sustainable basis, including:

- financial sustainability;
- achieving value for money;
- fulfilling its responsibility for the provision of effective financial controls over the use of public funds;
- ensuring that the Trust complies with all relevant legislation; and
- safeguarding ALL assets of the Trust

NOTE – there is a Finance Handbook and process flows guide this sits alongside all finance related transactions – the guide is intended to demonstrate the 'HOW TO DO PROCESS'

The Status of these Regulations

These regulations are applicable to all of our Academies and Central Office service provision.

The Finance Regulations are relevant to all Trust and Academy staff at ALL levels:

- All staff with duties involving financial management and administration should be made aware of the contents of this manual and have access to it.
- It is the responsibility of Central and School Offices and Academy Executive Headteacher/Headteacher to ensure that staff always follow the requirements of the policy manual.

The Accounting Officer (explained below) reserves the right to suspend and/or withdraw delegated authorities in whole or in part where these regulations are not being adhered to. This would effectively withdraw authority to make expenditure on staff or other resources.

Compliance with these Regulations is compulsory for every member of staff. A member of staff who fails to comply with the Regulations may be subject to disciplinary action under the Trust's disciplinary policy. Any such breach will be notified to the Board through the Finance, Audit & Risk Committee.

In exceptional circumstances, the Finance, Audit & Risk Committee may authorise a departure from the Regulations, but such a departure is to be reported to the Board at the earliest opportunity.

Organisation of Finances

Board of Directors

The Board must ensure trustees collectively possess appropriate financial knowledge and expertise, receive proportionate induction and continuing training, and record how identified skills gaps are addressed. The governance skills review and training record must be reviewed at least annually.

The Trust Board has ultimate responsibility for the Trust's finances, and it has put in place the structure outlined within this document to make sure this responsibility is met. It is specifically responsible for ensuring that the Trust's funds are used only in accordance with the following legal documents:

- The Funding Agreement; this is the specific legal agreement between the Trust and the Secretary of State governing funding arrangements, obligations of both parties and termination provisions.
- The Academy Trust Handbook; this sets out the duties and obligations of all academy trusts which have a Funding Agreement with the Secretary of State for Education. The handbook, together with the Funding Agreement, describes the financial relationship between the DfE and Academy Trusts – this is the fundamental guidance for Academies https://www.gov.uk/government/publications/academy-trust-handbook/academy-trust-handbook-2026-effective-from-1-october-2026
- In addition, there is a Schedule of MUSTS which is the list of requirements from the Academies Trust Handbook brought together in one schedule https://www.gov.uk/government/publications/academy-trust-handbook
- The Articles of Association; the articles set out the charitable objectives of the Trust, the powers of the trustees and its governance arrangements.
- Academies Act 2010
- Charities Act 2011
- Companies Act 2006
- The Employment Relations Act 1999
- Equality Act 2010
- The Education Regulations 2012
- Fraud Act 2006
- Bribery Act 2010
- Economic Crime and Corporate Transparency Act 2023
- Procurement Act 2023 and Procurement Regulations 2024
- Data (Use and Access) Act 2025, alongside the UK GDPR and Data Protection Act 2018

The main responsibilities of the Board as outlined in the Funding Agreement include:

- ensuring that the grant from the funding body is used only for the purposes intended;
- approving the Annual Budget;
- approving the scheme of delegated authority recommended by the Finance, Audit & Risk Committee;
- appointing key members of staff (Academy Executive Heads/Heads and the Trust Executive Team);
- establishing a committee to oversee finance, setting and varying its terms of reference and reviewing its work;
- establishing a committee to oversee audit, setting and varying its terms of reference and reviewing its work; and
- establishing a committee to oversee remuneration, setting and varying its terms of reference and receiving its reports.

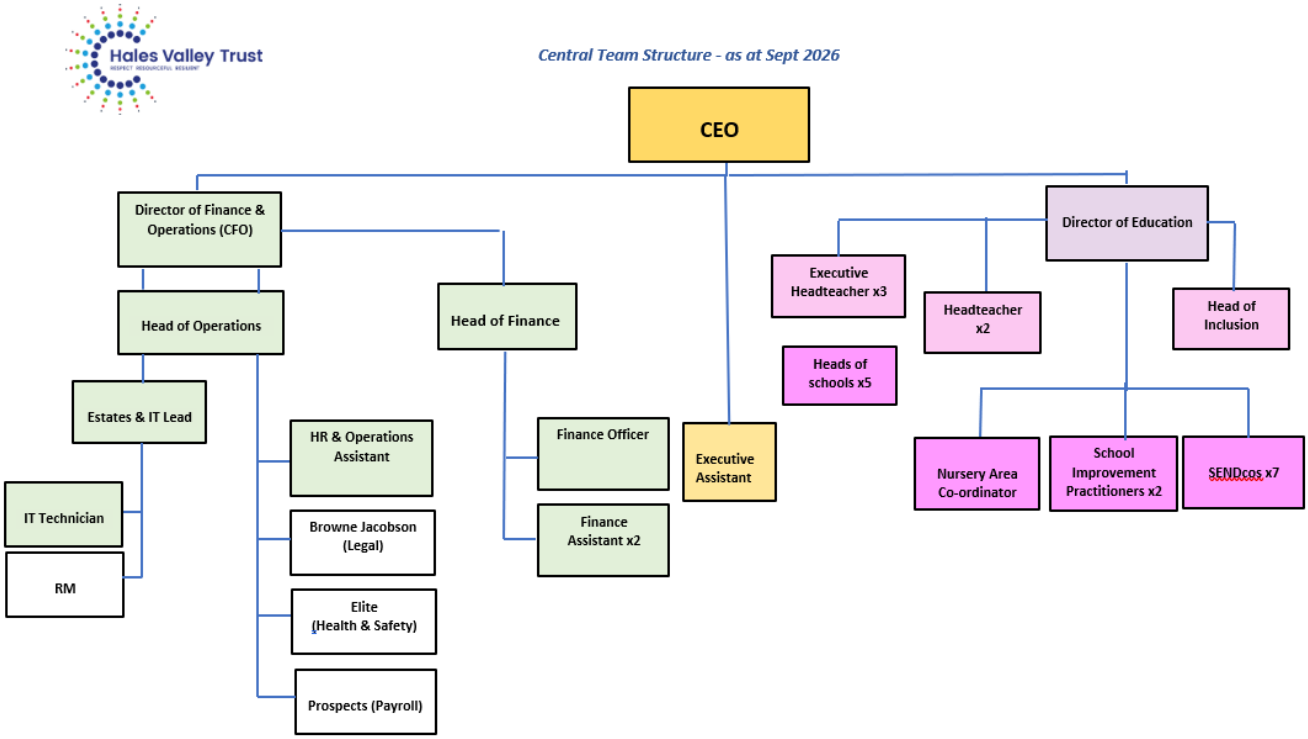
The Board has wide discretion over the use of the Trust's funds and is ultimately responsible for how they are deployed.

The members of the Board have statutory duties as Company Directors, which are set out in sections 170 to 177 of the Companies Act 2006. These comprise the duties to:

- act within their powers;
- promote the success of the company;
- exercise independent judgment;
- exercise reasonable care, skill and diligence;
- avoid conflicts of interest;
- not to accept benefits from third parties; and
- declare any interest in proposed transactions or arrangements.

Organisational Structure (as at September 2026)

In order to meet the financial management and internal control objectives outlined above and wider responsibilities to the DfE, the Trust Board has determined the following structure is required:



Finance, Audit & Risk Committee

The role of the Committee is, on behalf of the Trust Board, to ensure the highest standards of stewardship and propriety are implemented and operating effectively across the Trust, in ensuring:

- The effective Financial Management of the Trust including the delivery of Value for Money in its use of Public Funds.
- A safe and compliant environment is established and maintained for all its pupils and staff.
- All legal, statutory and policy duties are effectively managed on a timely basis.

The Chief Executive Officer

A significant number of responsibilities under the Scheme of Delegation lie with the CEO. It is recognised that the CEO may choose to delegate some of their duties to the Chief Finance Officer (CFO) and other staff in their team.

The CEO is the key executive responsible for delivering the overall strategy of the Trust including its educational outcomes within the constraints of financial sustainability. This role leads on the deployment of resources on a day-to-day basis to meet these goals. This role is also described as the "Accounting Officer" within the Academy Trust Handbook.

The Accounting Officer reviews the following documents termly to ensure the academy trust is working within the boundaries of regularity, propriety, value for money and feasibility:

- reviews financial management accounts and other financial statements
- reviews compliance against the scheme of delegation
- reviews transactions for evidence of connected party transactions

- value for money practice

The Chief Finance Officer

For a Trust with over 3,000 pupils, any CFO recruitment exercise commencing on or after 1 October 2026 should specify that the appointee should be a qualified accountant and a member of the relevant Professional Accountancy body and/or hold the CIPFA Level 7 qualification. For recruitment commencing on or after 1 September 2027 this requirement becomes mandatory; if the Trust proposes to appoint someone without the specified qualification, it must inform the DfE in advance and explain why.

This role is responsible for keeping proper financial records, the delivery of the trust's detailed accounting processes and for the identification of opportunities and risks and managing these appropriately to secure best value.

The Chief Finance Officer is also responsible for ensuring all returns required by the DfE are accurate and submitted in accordance with required timescales. These returns include, but are not limited to:

- The Annual Report and Financial Statements (December)
- The Annual Accounts Return (January)
- The Budget Forecast Return – 3YBFR (August)
- Land & Buildings Collection Toolkit (November)
- Schools Resource Management Self-Assessment Checklist (March)
- School Estates Management Standard Annual Return (new from 2026-2027)

Both the AO and CFO roles are key accountable officers to the DfE.

Academy Executive Headteacher/Headteacher

The post of Academy Executive Headteacher/Headteacher is responsible to the Chief Executive Officer for the management of their school's finances. Where there is both an Executive Headteacher and Headteacher in post, the Executive Headteacher will assume this responsibility and remain accountable.

The responsible officer must ensure the requirements of financial governance set out in this Finance Policy (including policies referred to from within this document) and the Scheme of Delegation are adhered to, including taking responsibility for the academies financial position, ensuring that basic controls over the finances are in place and are operating, and making sure that all financial matters are conducted with due consideration for Regularity, Propriety, Value for Money and Feasibility.

Academy Finance and Administration Teams

The CFO and Academy Executive Headteachers/Headteachers are supported by school-based staff, who are responsible for the management of finance within their academies. They are responsible for ensuring that the Trust's Finance Policy and Scheme of Delegation are always complied with.

Scheme of Delegation

The Trust Board have agreed a Scheme of Delegation outlining the financial limits for staff involved in authorising financial transactions. Compliance with these Regulations is compulsory for all staff. A

member of staff who fails to comply with the Regulations may be subject to disciplinary action under the Trust disciplinary policy.

Central Charges to Trust Academies

By 31 January each year, the Trust must publish on its website a summary statement accompanying its annual accounts explaining how funds are distributed across its academies. The information must match the annual accounts notes on central services and funds and explain the basis of central charges, pooling and allocation arrangements.

Academies will contribute an agreed percentage, see table below, of recurrent GAG income towards the cost of the Central team. Any change will be applied at the start of the new academic year following the inspection:

OFSTED rating as at last inspection	**2026-2027 % Top Slice**
Urgent improvement	10 %
Needs attention	8 %
Expected standard	6 %
Exceptional and Strong standard	6 %

The cost of the central team includes an Executive Leadership Team and bought-in services and support across the following areas;

- Finance, Payroll, Pensions & Audits (Internal & External)
- Operations, Estate Management and H & S
- Compliance, regulatory and policy
- School Improvement (Education, Nurseries and SEN)
- ICT
- Governance
- Data Protection
- Complaints and HR related support
- Risk Management, Audit (Internal and External) and Regulatory compliance

From time to time the Central Office receives one off charge relating to individual Academies that are not included in the central charges, such charges shall be recharged to the academy in question where appropriate.

Academy contributions will be reviewed and approved by the Board annually.

Appeals process to Trust policies:

Where academies object to Trust policies, they must follow an appeals process and be in a position to put forward a robust evidence-based rationale for their objection. The case for appeal must be objective and based on demonstrating the detrimental impact on the operational delivery of the Academy.

To initiate an appeal, the Academy must submit a written appeal to the CEO. The CEO will assess and respond within 10 working (exc holidays). Should the Academy still wish to escalate the appeal they should do so by submitting a written appeal to the Board of Directors.

If the appeal remains unsuccessful Academies can escalate the appeal to the Secretary of State via the DfE.

Openness and Integrity

Value for money

Value for money is achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the Trust's charge, the avoidance of waste and extravagance, and prudent and economical administration.

The Trust must get the best value for money from all our purchases: purchasing the correct quantity, with the appropriate quality, at the right time and at the best price possible. All purchases must be made in line with the ***Purchasing, Procurement and Tendering Policy (C6)*.**

Regularity, propriety, value for money and feasibility

As a publicly funded organisation and in line with our ethical approach, we must demonstrate the following principles:

- Regularity: The requirement to deal with all items of income and expenditure in accordance with legislation, the terms of the Trust's funding agreement and Academy Trust Handbook, and compliance with internal trust procedures. This includes spending public money for the purpose intended by Parliament.
- Propriety: The requirement to deal with expenditure and receipts in accordance with Parliament's intentions and the principles of parliamentary control. This covers standards of conduct, behaviour and corporate governance.
- Value for money: The requirement to consider and assess the most appropriate allocation of resources which will provide the maximise benefits for the allocation of spending public money.
- Feasibility: The requirement to consider the

The Trust and all Academies must ensure they adhere to the principles of regularity, propriety, value for money and feasibility. It is the responsibility of all staff involved in requisitioning, ordering or approving of transactions, that they comply with the terms of the underlying grant and that they are for the benefit of the Trust and / or the academy.

Register of Business Interests

It is important that anyone involved in spending public money demonstrate that they do not benefit personally from the decisions they make. The Trust is committed to corporate transparency.

The Trust maintains a Register of Interests including relevant business and pecuniary interests of Board of Directors, senior employees and other staff with significant financial authority or influence. The register of interests captures:

The register must cover, as a minimum, members, trustees, local governors and senior employees serving at any point during the previous 12 months, and must identify relevant interests arising from close family relationships. It must be kept up to date at all times:

- directorships, partnerships and employments with businesses that provide goods or services to the Trust and its Academies;

- trusteeships and governorships including at other educational institutions and charities irrespective of whether there is a trading relationship with the trust; and
- for each interest: the name of the business, the nature of the business, the nature of the interest, and the date the interest began.

Relevant business and pecuniary interests of trustees are published on the Trust website and individual Academy websites. It is the responsibility of each Academy and the Central Trust to publish the latest register for the entire Trust on their websites.

The existence of a register of interests does not, of course, detract from the duties of Board members and staff to declare interests whenever they are relevant to matters being discussed by the Board or any duly established committee. Where an interest has been declared, those involved should not attend that part of any committee or other meeting.

Connected parties

As well as demonstrating propriety in its relationships, the Trust must be even-handed in their relationships with "connected parties" by ensuring that trustees understand and comply with their statutory duties as company directors to avoid conflicts of interest; not to accept benefits from third parties; and to declare interest in proposed transactions or arrangements.

Receiving gifts or hospitality

In order to protect all individuals associated with the Trust and the reputation of the Trust and its Academies from accusations of bribery or corruption, staff, and trustees must take extreme care that none of their dealings, directly or indirectly, could be deemed as a reward or benefit, in line with the Bribery Act 2010. This Act makes it a criminal offence to:

- offer, promise or give a bribe,
- request, agree to or accept a bribe
- (by an organisation) fail to prevent bribery by those acting on its behalf ('associated persons') to obtain or retain business or a business advantage for the organisation. Under this Act, a bribe is 'a financial or other advantage' offered, promised or given to induce a person to perform a relevant function or activity improperly, or reward them for doing so.

The Bribery Act 2010 came into force on 1 July 2011. The Act introduced new offences for acts of bribery by individuals, or persons associated with relevant organisations. The penalties are severe for any employee convicted under the Act which could mean a criminal record with 10 years' imprisonment and unlimited fines.

The guiding principles to be followed by all members of staff must be:

- the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest;
- the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

Staff should refer to the ***Gifts and Hospitality Policy (C4)*** for guidance on what is acceptable in terms of gifts and hospitality.

When it is not easy to decide between what is and is not acceptable in terms of gifts or hospitality, the offer should be declined, or advice sought from the CFO.

Fraud and corruption

It is the duty of all members of staff, management and the Board to notify the CFO immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety. The ***Anti-Fraud and Corruption Policy (C1)*** sets out the organisation's zero tolerance of fraud.

The CFO shall immediately invoke the fraud response plan. If the suspected fraud is thought to involve the CFO and/or the CEO, the member of staff shall notify the Chair of the Trust Board of their concerns.

Novel and contentious transactions

Novel payments or other transactions are those of which the Trust has no experience or are outside the Trust's range of normal business activity. Contentious transactions are those which might give rise to criticism of the Trust by Parliament, and/or the public, and/or the media. Novel and/or contentious transactions must always be referred to the DfE for explicit prior authorisation.

Whistle blowing

Whistle blowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A whistle blower can blow the whistle about crime, civil offences (including negligence, breach of contract etc.), miscarriage of justice, danger to health and safety or the environment or breach of the financial regulations and the cover up of any of these. It does not matter whether or not the information is confidential, and the whistle blowing can extend to malpractice occurring in the UK and any other country or territory.

Normally, any concern about a workplace matter should be raised with the relevant member of staff's immediate line manage. However, the Trust recognises that because of the seriousness or sensitivity of some issues, together with the knowledge of whom the member of staff thinks may be involved, may make this difficult or impossible.

A member of staff may, therefore, make the disclosure to one of the staff designated for this purpose, for example the CFO. If the member of staff does not wish to raise the matter with the member of staff, or with the Chief Executive or the Chair of the Trust Board, it may be raised with the Chair of the Finance, Audit & Risk Committee.

The full procedure for whistle blowing is set out in the ***Whistle-blowing Policy*****.**

Financial Planning & Month End Reporting

Financial Strategy

The Board must maintain strategic oversight of inclusion, collaboration and community responsibilities, including compliance with legal duties relating to safeguarding, SEND, admissions and place planning. Financial decisions must support a trust-wide approach to inclusion and effective partnership working.

The CFO is responsible for preparing the Trust Financial Strategy for approval by the Board of Trustees. The Financial Strategy sets out the financial perimeters within which the Trust will operate. Underpinning this financial strategy are the individual budgets and forecasts of the Trust's Academies.

Setting the Budget and Three-Year Forecast

Integrated curriculum and financial planning must inform the annual budget and three-year forecast. Educational priorities, workforce deployment, pupil needs, estates, digital investment, inclusion and financial sustainability must be considered together, with assumptions, scenarios and corrective actions documented.
It is the responsibility of the Academy Executive Headteacher/Head teacher to deliver a sustainable budget and three-year forecast.

The annual budget will reflect the best estimate of the resources available to each academy for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the Academy School Improvement Plan and the budgeted utilisation of resources.

The budget approval process provides Academies with a mandate to incur expenditure in line with the budget and request virements across the Budget categories where appropriate. Expenditure in excess of the approved budget is not permitted, savings are encouraged where possible – this would allow for contingency funds for unexpected costs such as repairs.

Financial planning of new areas of activity (areas other than core education funding)

The Trust promotes extended services to students and the wider community with new opportunities, linked to individual academy's specialism and the Trust's overall vision. For any new venture a plan should be prepared by the Executive Headteacher/Headteacher, considering the aims and objectives of the venture, in line with the individual academy and Trust ethos. This must carefully consider:

- the financial viability and sustainability of the venture; and
- the financial and non-financial risks posed as well as how these would be mitigated and, in the event of risk crystallising, how these would be dealt with by contingency and exit arrangements.

This plan will then need to be presented to the CFO and the CEO for initial review and consideration, and the Trust Board for final approval. Subject to approval, the venture will then be included in the overall budget setting process for the academy.

Reserves

The Trust is largely funded by grants from the Department for Education, the use of which is regulated by its Funding Agreement. The Trust expects to use funding received from the Department for Education in the accounting year for which it is given with the following exceptions:

- Separately identify funds for significant projects that cannot be met by future income alone.
- Consider the medium-term Financial Strategy and plan for use of reserves to meet expenditure commitments in the short and medium term.
- Providing short term funding to mitigate future funding turbulence as a result of national funding changes.
- Providing short term funding to meet expenditure commitments following the removal of funding protection to enable longer term decisions to be made.

Budgetary control

The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder (ie: the individual Academy Executive Headteacher/Headteacher or, Chief Finance Officer for Central Functions) who must ensure that day to day monitoring is undertaken effectively.

Significant variances (eg, 10% and above) from agreed budgetary targets must be reported immediately to the CFO and if necessary, corrective action taken with proposed steps outlining how to mitigate.

Monthly Financial Reporting

The Accounting Officer must report clearly to the Board on the Trust's ability to continue as a going concern. Reporting must use current budgets, cash-flow forecasts, reserves, sensitivities, commitments and material risks, identify any significant deterioration promptly, and support the disclosures in the annual report and financial statements.
Monthly management accounts must be prepared on an accrual's basis. The close down and completion of the month end cycle is 10 working days of the calendar month end, this allows preparation of the reporting to allow Internal Budget meetings for each school and also for timely circulation of the following to the Chair of the Trust Board:

- Monthly income and expenditure analysis prepared on an accrual's basis comparing Actual versus Budget and latest full year outturn forecast. (for each Academy and central team)
- Monthly consolidated balance sheet
- Monthly cashflow forecast

Financial Systems

Accounting system

All the financial transactions of the Trust must be recorded within the Trust's finance system(s) and must be authorised in accordance with the Finance Policy (and associated sub-policies cross referenced from this document) and also the Financial Scheme of Delegation.

Access to the accounting system is password restricted. The finance system (excluding the web-portal) should only be accessed by the following:

- The Chief Finance Officer (CFO)
- Head of Finance
- Central Finance Officers and Finance Assistants

The controls over security including passwords will be sufficient to protect the organisation's data.

Bank Accounts

The following procedures must be followed when opening a bank account and operating it:

- The Trust is responsible for selecting the banking institution and negotiating the terms and conditions;

- The Board of Directors must authorise the opening of all bank accounts;
- Terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts is administered by the CFO and CEO;
- It is the responsibility of the CFO to monitor cash flow for the Trust.

Deposits

All deposits should be treated in accordance with ***Cash Management Policy (C2).***

Payments and withdrawals

All cheques and other instruments authorising withdrawal from academy bank accounts must bear the signature of authorised bank signatories (in accordance with the mandate).

This provision applies to all accounts, public or private, operated by or on behalf of the governing body of the academy including funds held in trust.

Administration

The School Administration team/Central Finance Assistant (for centralised activity) are responsible for identifying their schools' transactions on the weekly Trust bank statement.

The Central Finance Team complete and review the Bank reconciliation on a monthly basis ensuring;

- all bank accounts are reconciled to the academy's finance system
- adjustments arising are dealt with promptly

Petty Cash & Cash Income

Petty cash facility has been withdrawn from Hales Valley Trust academies in favour of electronic payment methods (such as purchasing cards and BACS). The Trust does not permit cash transactions to be entered into. All income must be promptly banked in its entirety and is not available to be used for cash payments.

BACS Payments

All invoices received should be forwarded to the Central Finance Team
finance@halesvalleytrust.org.uk

Upon receipt, the Central Finance Officer will enter the invoice in the finance system against the relevant Purchase Order. The Purchase Order will have already been authorised, as per the Scheme of Delegation, and so the invoice will auto-match against the order. The order will await GRN and once completed, invoices will be submitted for payment.

Orders can be GRN'd at any point following authorisation, and confirm;

- the delivery note has been checked (where delivery note is available)
- the delivery is of correct quantity, quality and price

In the event of an invoice being received, with no associated purchase order in the finance system, the invoice will be posted as a "non-order invoice". The non-order invoice will be authorised in line with the scheme of delegation, but given there is no order or GRN, it is the responsibility of the authoriser to ensure that;

- it has not been previously paid
- the goods/service have been received and is of correct quantity, quality and price

The BACS payment is then prepared by the Central Finance Team where at least two of the signatories check to ensure that the bank and sort codes have been correctly entered and approves payment.

BACS payments are processed by the Central Finance Team every 2 weeks.

The Office Manager ensures evidence is kept of the Employment Status Test criteria applied, when dealing with payments to individuals. Where an individual has been assessed as self-employed, the Academy Finance Lead should request that the individual states his self-employment reference number on any invoice issued to the school.

Document retention

Finance records must be retained for the current year plus the preceding 6 years. All other documents are retained in line with the timescales set out the Trust's ***Document Retention policy*.**

The destruction of any financial records must be approved by the CFO and will never be permitted outside of the timescales described above. Destruction of financial records without permission is likely to result in disciplinary action.

Systems back-up and security

It is crucial that financial information held on computer is safely protected from unauthorised access and that it is backed up regularly. The Trust's finance system is held on a remote server which is subject to regular backups. The Trust Central Office and Academies must ensure that other finance information is backed up on a daily basis, and these backups will be stored offsite.

The CFO, in conjunction with the Executive Headteacher/Headteacher (or CEO in the case of the Trust Central Team), is responsible for ensuring that there is effective security and back up procedures for the system and for seeing that the Trust's computer systems are protected against virus attack and other malware.

All Trust Academies and the Central Team must comply with the requirements of the Data Protection legislation and the Board is responsible for ensuring that the Trust is properly registered in accordance with such Data Protection Legislation as shall be in force. This includes the UK GDPR and Data Protection Act 2018 as amended by the Data (Use and Access) Act 2025.

The Board should ensure that there is a Business Continuity Plan to ensure continuity of financial administration in case of emergency.

Income

The main sources of income for the Trust are as follows:

- Grants from the Department for Education (DfE)
- Grants from the Local Authority
- Nursery income
- Club income (eg, BASC)
- Lettings income (incs Swimming Pool)
- Capital Grants from DfE (SCA) and the Local Authority

It is the responsibility of the Academy to ensure that income is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. The Academy must ensure it complies with the Trust ***Income and Debt Management Policy (C9)*** in respect of all incoming resources.

Debt recovery and write offs

The Academy should always pursue recovery of amounts owed to it, overpayments, or payments made in error, irrespective of how they came to be made.

The Academy should only consider writing-off losses after careful appraisal of the facts, including whether all reasonable action has been taken to effect recovery from the debtor.

Aged debtors:

- In conjunction with The Academy, Central Finance Team should establish a sales ledger account and produce sales invoices for lettings and miscellaneous income.
- Central Finance Team will carry out a monthly review of outstanding debts and work with the Academy to chase payment.

Pupil debts - trip income

- The Academy staff should maintain an up-to-date record for each pupil showing the amount paid and the amount outstanding;
- An outstanding balances report should be produced each month then saved in the Schools Finance teams folder, and the appropriate steps should be made to chase outstanding debt;
- Outstanding debts should be chased by a member staff who is not involved in the day-to-day cash collection and recording.

Pupil debts – catering income

The Academy should refer to **the Collection of School Meals Money and School Meals Debt Policy** for the approach to be taken for any debts arising.

Debts in excess of £3,000, but below £9,999, must be referred in writing to the CFO for submission to the Finance, Audit & Risk Committee for consideration. Debts below this level may be written off with the permission of the CFO.

Requests to write-off debts in excess £10,000 must be referred to the CFO, in writing, for submission to the Board of Directors.

In accordance with the Academy Trust Handbook 2026, the Trust must seek prior approval from the DfE to write-off individual debts with a value in excess of;

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction
- Cumulatively, 2.5% of total annual income in any financial year per category of transaction if NOT submitted unqualified timely accounts or 5% of total annual income if submitted unqualified timely accounts (subject to a maximum of £250,000)

(Total annual income is defined as grant income as disclosed in the trust's last audited accounts).

Payroll, overtime and expenses

The staff structure for each Academy and the Trust Central Team will be approved by the Board on an annual basis alongside the academy strategic plan and budget. Changes can only be made to this structure in accordance with the Scheme of Delegation.

Each year the Trust Central Team will issue a timetable for payroll processing and circulated to all Academies (Office Managers/School Business Managers).

Data input to the payroll system must be undertaken by the Trust Central Team/external payroll provider, in accordance with the timetable.

The Trust will ensure that staff payroll arrangements fully meet tax obligations and comply with HM Treasury's guidance (including the Treasury's Review of the Tax Arrangements of Public Sector Appointees).

Staff appointments and hiring

Authority to recruit/replace staff within the authorised structure must be carried out in accordance with the Scheme of Delegation. Appointments within the Central team, above the agreed staffing structure, must be approved by the Board of Directors.

When there is a vacancy due to an employee leaving an Academy, it is the Exec Headteacher/ Headteacher's responsibility to inform the Central Team and, in conjunction with both Central Finance and Central Operations, review the vacant position and assess current resource capacity to identify whether the vacancy requires to be filled or could redeployments be made. The role, and it's fit within the structure of the Trust, should be included within this review.

Where an increase in pupil numbers generates the need for additional Academy-based staff, it is the Headteacher's responsibility to assess the level and nature of that need. The Headteacher should report the conclusions of that assessment to the CEO (acting on behalf of the Trust Board) and seek approval for any increase in the number of posts. It is anticipated that this would normally form part of the annual budget process. For non-Academy-based staff it is the responsibility of the CEO to assess the level and nature of the need for additional staff. Decisions on such additional staff will be made by the Finance, Audit & Risk Committee.

Payroll & Pension Administration

Electric vehicle salary sacrifice schemes may be operated without prior DfE approval only where comprehensive contractual, financial and operational mitigations ensure that no cost or liability falls on the Trust if an employee does not fulfil their obligations. Board approval and professional tax, payroll, legal and procurement advice are required before implementation.

The Trust payroll is fully outsourced to a third-party provider administered by HR Connect and Prospects Payroll Ltd.

All staff members are paid monthly by BACS payment. A master file for each employee includes:

- salary;
- bank account details;
- taxation status;
- personal details and
- any deductions or allowances payable

The Central Operations team is responsible for all adjustments to payroll. This includes new starters, leavers, absence etc. Any amendments made by the Central Operations Team must be authorised in accordance with this Finance Policy ("Staff appointments and hiring") and Scheme of Delegation

Monthly pre-pay reports are generated by Shaw Trust detailing payments due to employees. Reports are first reviewed by the Head of Operations in line with the payroll timetable, then spot check reviewed by the Head of Finance and then authorised by the CFO to submit the BACS files.

Salary advances

The Trust does not award salary advances.

Overtime (for those roles which have this within their Employment Contract)

Overtime is recorded by the individual and submitted to their line manager, via the Payroll Management Information System, who checks the overtime details and the rationale. The line manager will then review and authorise the claim, following consultation with the budget holder, and in line with the Scheme of Delegation.

Claims must not be submitted prior to work having been undertaken.

No payments for work undertaken will be made other than via the payroll system.

Payments

The payroll system automatically calculates the deductions due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable is summarised on the gross to net report and BACS payments for these amounts, these are automatically processed by Shaw Trust Services Ltd.

After the payroll has been processed the nominal ledger will be posted by the Central Finance.

Severance payments

The Trust must obtain prior DfE approval before offering an alternative pension scheme. This requirement does not replace the Trust's duties under the Teachers' Pension Scheme or Local Government Pension Scheme.

Severance payments shall only be made in accordance with relevant legislation and funding body guidance including the Academy Trust Handbook. Professional advice should be obtained where necessary.

Any individual severance payments with a value of less than £10,000 Gross Pay, shall be authorised by Finance, Audit & Risk Committee.

Any individual severance payments with a value greater than £10,000 Gross Pay, shall be authorised by the Board of Directors.

Prior DfE approval must be obtained before making a special staff severance payment where the non-statutory or non-contractual element is £50,000 or more, where an exit package of £100,000 or more includes a special severance payment, where the employee earns over £174,000, or where the payment is novel, contentious or repercussive. A confidentiality clause in a special severance payment

is always novel, contentious or repercussive and must not be used without prior DfE approval. Any confidentiality clause must preserve statutory whistleblowing rights.

Special severance payments must be considered strictly in accordance with the current Academy Trust Handbook and HM Treasury guidance. The Trust must retain a documented business case, legal advice where relevant, evidence supporting the decision and how value for money was achieved, and must obtain all required approvals before an offer is made or settlement agreed.

Purchasing and tendering

When purchasing, the Trust must comply with the Procurement Act 2023 and associated regulations, consider relevant DfE commercial opportunities and record its decision-making. The Trust must use the Government Commercial Agency supply staffing framework unless it has an alternative compliant agreement at rates no higher than the framework; use the DfE Energy for Schools service or a DfE-approved energy deal on renewal unless an alternative offers equivalent value for money; and align all MIS contracts with the DfE MIS framework by September 2027 in accordance with the current Academy Trust Handbook.

These Regulations distinguish between the authorities in the budget cycle and the purchasing cycle:

- **Budget cycle** – Budget holders will be informed of the budget available to them at the start of each academic year (September/October). It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent.
- **Purchasing Cycle**: within the approved budget, authorisation is as follows:

Please note:

- Purchases over £50,000 will require a tender process
- Transactions over £100,000 must be authorised by the Board of Directors

All purchases must follow the rules outlined in the Scheme of Delegation and the ***Purchasing, Procurement and Tendering Policy (C6)*.**

Prior to orders being placed the Academy Finance Team must ensure they have evidenced authorisation in accordance with the Scheme of Delegation and quotes / tenders in accordance with the ***Purchasing, Procurement and Tendering Policy (C6)*.** All purchases should be processed through the ordering portal of the Finance System. The only exceptions to this are genuine non-order purchases such as:

- Utilities, including hygiene waste collections
- Catering services provided by contracted catering provider
- Photocopying usage
- Purchase of electronic vouchers as required by the Local Authority

B1

	Central	Lutley	Lapal	Woodside	Hurst Hill	Priory	Withymoor	Gig Mill
Order Input	Central Finance Assistant	Central Finance Assistant	School Administrator	Central Finance Assistant	School Administrator	Central Finance Assistant	School Administrator	Central Finance Assistant
£0 - £1,000	Head of Finance	School Office Manager	School Office Manager	School Office Manager	School Office Manager	School Office Manager	School Office Manager	School Business Manager
£1,001 - £15,000	Head of Finance	Headteacher (upto £10,000)	Executive Headteacher	Executive Headteacher	Executive Headteacher	Executive Headteacher	Executive Headteacher	Executive Headteacher
£15,001 - £20,000	Head of Operations	Head of Operations	Head of Operations	Head of Operations	Head of Operations	Head of Operations	Head of Operations	Head of Operations
£20,001 - £50,000	Chief Finance Officer	Chief Finance Officer	Chief Finance Officer	Chief Finance Officer	Chief Finance Officer	Chief Finance Officer	Chief Finance Officer	Chief Finance Officer
£50,001 - £100,000	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer
£100,000 +	Board of Directors	Board of Directors	Board of Directors	Board of Directors	Board of Directors	Board of Directors	Board of Directors	Board of Directors

Internal Recharges (across Schools or Trust)

Where a member of staff employed by one school, or a central School Improvement member is asked to provide support to another school, the cost of the time and any directly related expenditure will be cross-charged to the school receiving the support, unless the work is already covered by the Trust's central charge or another agreed funding arrangement.

Central Finance will calculate and process the recharge using the actual cost of the Staff member. The recharge form will be used and approved by the leaders of both the school to provide a clear audit record. (Refer to the Internal Recharge Form – Leaders are required to mutually authorise the form to ensure the internal cross charge is actioned).

Credit cards

Oversight of the use and control of the Trust's credit cards is the responsibility of the CFO. There will be appropriate oversight of the distribution of such cards and the associated card limits.

Where credit cards are issued, they are to be used as a ***last resort*** for transactions that fall outside the normal procurement process, which may be due to the nature and importance.

Holders of cards must use them only for the purposes for which they have been issued and within the authorised purchase limits in accordance with the ***Credit Card Policy (C3)*** and Scheme of Delegation. The deliberate misuse of such cards shall be grounds for disciplinary action and non-compliance of the policy could result in the card facility being withdrawn.

Use of credit cards must not conflict with any restrictions on borrowing set out in their funding agreement.

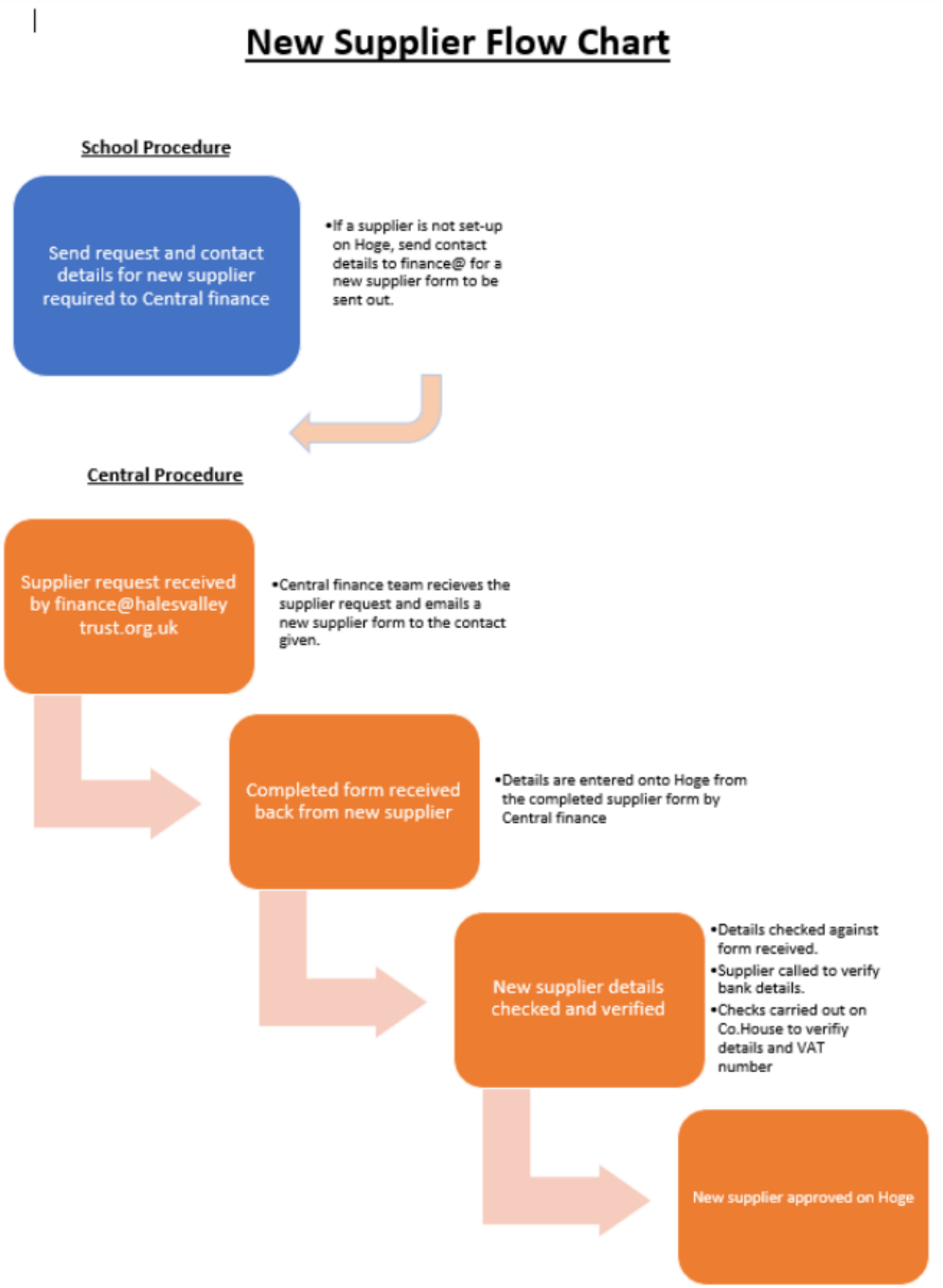
Cash and banking

To ensure that the Trust's cash is safeguarded, the ***Cash Management Policy (C2)*** should be adhered to in respect of:

- Payment, withdrawals and deposits
- Bank reconciliations

New Suppliers

All new suppliers entered onto the system should be entered by the Central Finance Team. All details MUST be verified directly with the supplier (by calling directly) to ensure all necessary details are accurate. Each new supplier entered onto the system is subject to monitoring by both the central finance team and internal audit. See below the process flow diagram:



Journal adjustments

In the overall accounting framework, we understand that the focus should be around reconciliation and review. However, we recognise the need for the use of journals to make corrections and reallocate revenue/ costs between nominal codes and cost centres where necessary. There may be some occasions whereby adjusting entries are required between the income statement and balance sheet.

Journals are to prepared by Central Finance, posted by the Head of Finance and reviewed on a monthly basis by the CFO. A Journal corrections/changes report is produced, reviewed and forms part of the AO review meetings.

VAT

Value Added Tax (VAT) is a tax on the sale of goods and services. The tax is administered by Her Majesty's Revenue and Customs (HMRC). VAT on purchases is known as input tax with VAT on sales known as output tax.

The Trust acknowledges that VAT legislation is a complex area requiring careful consideration and that errors can potentially lead to charges of interest and penalties.

- VAT on all transactions should be recorded on the Central Finance System. Responsibility for correctly classifying VAT on transactions lies with the Central Finance Officer/Finance Assistant who applies the VAT code when entering invoices, expenses, and income transactions into the finance system. The Head of Finance then reviews VAT treatment, ensures staff are using the correct VAT codes, and resolves more complex VAT queries. The Head of Finance is responsible for ensuring that VAT returns are submitted to HMRC on a minimum of a bi-monthly basis.

Capital Accounting

The Trust Board is ultimately responsible for the assets held by the Trust, both in terms of the building, stock, and other fixed assets within schools.

The Central Finance Team are responsible for ensuring that the assets of the individual academies, and non-academy locations, are recorded and treated in accordance with the Trust ***Accounting Policies (C10).***

Desirable assets under £3,000, are not capitalised but are recorded separately at each Academy location.

Cash Management

The Central Finance Team is responsible for ensuring the following reconciliations are performed each month and any reconciling or balancing amounts are promptly cleared:

- sales ledger control account
- purchase ledger control account
- payroll control account
- VAT control account
- all suspense accounts
- bank balance per the nominal ledger to the bank statement

Internal Control Framework

Risk management

The Trust should work towards meeting the DfE digital and technology standards by 2030. Digital investment, cyber security, data protection, resilience and business continuity must be incorporated into financial planning and risk management. https://www.gov.uk/government/publications/academy-trust-handbook

The Trust acknowledges the risks inherent in its business and is committed to managing those risks which pose a significant threat to the achievement of its organisational objectives and financial health.

The Board has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the Trust through the development, implementation and embedding within the organisation of a formal, structured risk management process.

The Board delegates the monitoring and control of risk management to the Finance, Audit & Risk Committee, as set out in the committee's Terms of Reference.

Segregation of duties

Segregation of duties is critical to effective internal control; it reduces the risk of both erroneous and inappropriate actions. In general, the approval function, the accounting/reconciling function, and the asset custody function should be separated among employees.

The Trust recognises that the size of Academy and staffing arrangements will affect an Academy's ability to adhere to the above. When these functions cannot be separated, a detailed supervisory review of related activities is required as a compensating control activity. Segregation of duties is a deterrent to fraud because it requires collusion with another person to perpetrate a fraudulent act.

Monitoring and control of Academies

Academies in financial difficulty or those designated "High-Risk"

All academies are required to operate in accordance with the Trust's policies and procedures, as well as demonstrating principles of good financial management. Academies are subject to annual external and internal audit, as well as other assurance work as required by the Trust's Finance, Audit & Risk Committee. In the event that an academy is designated as "high-risk" (due to poor financial management or accumulated deficits etc.), then the academy may be presented with a bespoke scheme of delegation that reduces the level of delegated responsibility in some or all areas.

Internal Audit

The Trust will have in place a process for independent checking of financial controls, systems, transactions and risks. It will be structured to ensure that the function is independent and objective.

The Finance, Audit & Risk Committee will review the risks to internal financial control at the Trust and will agree a programme of work that will address these risks and inform the governance statement that accompanies the Trust's annual accounts.

Internal audit reports will be reported to the Finance, Audit & Risk Committee for review and will facilitate in planning future internal audits.

External Audit

External Auditors must be appointed in accordance with the Academy Trust Handbook. The CFO is responsible for co-ordinating the audit process, liaising with auditors, arranging the timetable for accounts, audit completion and ensuring deadlines are met.

Each Office Manager is responsible for ensuring all information requested by the Central Finance Team is completed accurately and in accordance with agreed timescales.

Investments

Investments will be handled by the CFO in accordance with the ***Investment Policy (C5)***.

Leasing

From 1 September 2026, leases must also be accounted for in accordance with the revised FRS 102 and Charities SORP 2026, including recognition of right-of-use assets and lease liabilities unless an applicable exemption applies. Existing arrangements must be reviewed for transition purposes.

The Trust must seek and obtain prior written approval from the Secretary of State, via the funding body, for the following leasing transactions:

- taking up a finance lease on any class of asset **not on** the DfE approved list https://www.gov.uk/government/publications/leasing-for-academy-trusts/changes-to-leasing-agreements-for-academy-trusts for any duration from another party, as this would represent borrowing;
- taking up a leasehold or tenancy agreement on land or buildings from another party for a term of 7 years or more; and
- granting a leasehold interest, including a tenancy agreement, on land or buildings to another party.

Nolan Principles (The Seven Principles of Public Life)

These apply to anyone who works as a public officeholder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the Civil Service, local government, the police, courts and probation services, non-departmental public bodies (NDPBs), and in the health, education, social and care services. All public officeholders are both servants of the public and stewards of public resources. The principles also apply to all those in other sectors delivering public services.

1.1 Selflessness

Holders of public office should act solely in terms of the public interest.

1.2 Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

1.3 Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

1.4 Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

1.5 Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

1.6 Honesty

Holders of public office should be truthful.

1.7 Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

Accountability

As per the Organisation's hierarchy, accountability forms part of everyone's job role. It is about how staff respond to take ownership over the results and being answerable for these outcomes on an individual basis.

Glossary

Term	Description
Chief Executive Officer (CEO)	The Accounting Officer of the Trust
Chief Finance Officer	The Trust's Finance Director or equivalent
Academy Finance Lead	The most senior member of an academy's administration/finance team
Central Finance Team	The central finance team of the Trust, based at Woodside Primary School, Highgate Road, Dudley, DY2 0SN