



Financial Regulations

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1	STATUS OF FINANCIAL REGULATIONS
1.1	Kent Catholic Schools' Partnership ("the Trust" or "KCSP") is a company limited by guarantee and an exempt charity regulated by the Secretary of State for Education as principal regulator. The Trust operates and maintains Catholic schools within the Archdiocese of Southwark in accordance with its Articles of Association, Funding Agreement, the teachings of the Catholic Church, Canon Law and the advice or directives of the Archbishop of Southwark.
1.2	This document sets out the Trust's Financial Regulations. It translates into practical guidance the Trust's broad policies relating to financial decision-making, stewardship of assets, internal control and use of public funds. It applies to the Trust Office, all schools within the Trust, all Local Governance Committees and, unless other arrangements have been expressly approved, any subsidiary undertakings.
1.3	These Financial Regulations are subordinate to the Trust's Articles of Association, Funding Agreement, the Academies Act 2010, Companies Act 2006, charity law, the Academy Trust Handbook and any other restrictions imposed by the Department for Education.
1.4	The purpose of these Financial Regulations is to provide control over the totality of the Trust's resources and to provide management with assurance that resources are being properly applied for the achievement of the Trust's strategic objectives on a sustainable basis, including; • maintaining financial sustainability • achieving value for money • providing effective control over public funds • complying with legal and regulatory requirements • safeguarding the assets of the Trust
1.5	Compliance with these Financial Regulations is compulsory for Trust Board and Committee members, staff, volunteers and any other person engaged by the Trust who is involved in financial transactions, authorisation, budget management, procurement, payroll, income collection, asset management or financial reporting.
1.6	Staff who fail to comply with these Financial Regulations may be subject to disciplinary action under the Disciplinary Policy. Any significant breach must be reported to the Chief Financial Officer and the Accounting Officer.
1.7	The Chief Financial Officer is responsible for maintaining a continuous review of these Financial Regulations and advising the Accounting Officer, Finance and Resources Committee and Trust Board of any amendments required by law, regulation, best practice, the Academy Trust Handbook or the Scheme of Delegation.
2	GOVERNANCE
2.1	Trust Board The Trust Board is responsible for the management and administration of the Trust and has overall responsibility for its financial affairs. The Trust Board cannot delegate overall responsibility for the Trust's funds and remains accountable for financial stewardship, value for money, regularity and propriety. The Trust Board must ensure that public funds are used only for the purposes intended, that effective systems of internal control are maintained, that the Trust remains a going concern and financially sustainable, that a balanced budget and three-year plan are approved and that the Scheme of Delegation is reviewed annually.

	The Trust Board must approve the annual budget, the annual report and accounts, the appointment of the Accounting Officer and Chief Financial Officer, the Scheme of Delegation and any other matters reserved to the Trust Board under the Governance Handbook.
2.2	Audit and Risk Committee The Audit and Risk Committee is a Committee of the Trust Board. It provides assurance to the Trust Board on the adequacy and effectiveness of financial and non-financial controls, risk management, internal scrutiny, external audit and governance arrangements. The Audit and Risk Committee must approve and oversee the programme of internal scrutiny, consider reports from internal scrutineers, review the risk register, review the external audit plan and findings and report to the Trust Board on the adequacy of the Trust's internal control framework.
2.3	Finance and Resources Committee The Finance and Resources Committee is a Committee of the Trust Board. It supports the Trust Board through detailed scrutiny of financial planning, budgets, management accounts, capital expenditure, procurement, reserves, estates and resource management. The Finance and Resources Committee must consider and endorse financial plans and budgets prior to Trust Board approval where required by the Scheme of Delegation, monitor financial performance, review financial risks and make recommendations to the Trust Board on material financial matters.
2.4	Local Governance Committees Local Governance Committees provide local monitoring, support and challenge. They are responsible for endorsing, monitoring or approving matters delegated to them under the Scheme of Delegation and for escalating significant financial concerns to the relevant Committee or Chief Financial Officer.
2.5	Accounting Officer The Chief Executive Officer is the Trust's Accounting Officer. The Accounting Officer has a personal responsibility to Parliament and to the Department for Education for the financial resources under their control. The Accounting Officer must be able to assure Parliament, the Department for Education and the public of high standards of probity in the management of public funds, particularly regularity, propriety, feasibility and value for money. The Accounting Officer must advise the Trust Board in writing if, in their opinion, any action or policies under consideration are incompatible with the Articles of Association, Funding Agreement, Academy Trust Handbook or other relevant requirements. If the Trust Board resolves to proceed despite that advice and the Accounting Officer still considers the action to be non-compliant, the Accounting Officer must notify the Department for Education in writing.
2.6	Chief Financial Officer The Chief Financial Officer is responsible to the Accounting Officer and Trust Board for the day-to-day financial administration of the Trust and for providing professional leadership, advice and assurance on financial matters. The Chief Financial Officer is responsible for preparing annual revenue and capital budgets, rolling three-year financial plans, management accounts, cash flow forecasts, annual accounts and statutory returns; maintaining satisfactory financial systems; advising on financial policy and procedure; liaising with auditors; and reporting material changes in financial risk or circumstance in a timely manner.

2.7	Executive The Executive Leadership Team is responsible for the operational delivery of Trust strategy and the effective management of resources within the areas and activities they control. They must provide the Chief Financial Officer with such financial and other information as may be required.
2.8	Head Teachers Headteachers are responsible to the Chief Executive Officer for the internal organisation, management and control of their schools. They are responsible for managing delegated resources in accordance with these Financial Regulations, the Scheme of Delegation, Trust policies and approved budgets.
2.9	Business Managers Business Managers are responsible to their Head Teacher and to the Chief Financial Officer for the effective local administration of financial processes within their school. They must ensure that local financial transactions are processed in accordance with these Financial Regulations, the Scheme of Delegation, Trust policies and approved procedures.
2.10	All Staff All staff have a general responsibility for the security of Trust property, for avoiding loss, for due economy in the use of resources and for complying with Trust policies and procedures. Staff must immediately notify their line manager, Headteacher, the Chief Financial Officer or the Accounting Officer of any matter which involves, or is thought to involve, fraud, theft, irregularity, loss or misuse of Trust property.
3	CODE OF CONDUCT
3.1	All Trust Board and Committee members, staff and volunteers must act in accordance with the Seven Principles of Public Life and the Trust's Catholic ethos, ensuring that decisions are taken in the interests of the Trust and its schools and not for personal benefit.
3.2	All Trust Board and Committee members and staff with financial responsibilities must disclose relevant business and financial interests in accordance with the Conflict of Interest Policy and Register of Interests arrangements. Entries must be kept up to date and reviewed regularly.
3.3	No person must authorise expenditure, sign a contract or participate in a decision where they have a personal, financial or other relevant interest in the other party or in the outcome of the decision. Such interests must be declared and the individual must withdraw from the decision-making process.
3.4	All staff must comply with the Trust's policies relating to fraud, bribery, corruption, gifts, hospitality and whistleblowing. Gifts or hospitality must not be accepted where they could, or could be perceived to, influence judgement or decision-making. All offers and receipts must be recorded in accordance with the Trust's Gifts and Hospitality arrangements.
3.5	Concerns about malpractice, fraud, bribery, corruption, irregularity or other misconduct must be raised in accordance with the Whistleblowing Policy or Anti-Fraud, Bribery and Corruption Policy.

4	ETHOS AND PRINCIPLES
4.1	 Knowledge-rich, skills-led learning for all Christ at our heart Serving everyone in our community Partnership of love, ambition, joy and peace With Christ at our heart, we strive together to ensure that our schools offer an ambitious education and curriculum for all, with a firm focus on the provision of excellent teaching and learning, to ensure that the potential of each and every one of our young people in our schools is fulfilled, whatever their need.
4.2	Nolan Principles of Public Life Selflessness: Decisions must be taken solely in the public interest Integrity: Individuals must avoid placing themselves under any obligation that might influence them Objectivity: Decisions must be made impartially, fairly and on merit Accountability: Individuals are accountable for their decisions and actions and must submit themselves to scrutiny Openness: Decisions and actions must be taken transparently and information should not be withheld unless there are clear and lawful reasons Honesty: Individuals have a duty to declare any private interests relating to their public duties Leadership: Individuals must promote and support these principles by leadership and example
5	INCOME
5.1	General The Chief Financial Officer is responsible for ensuring that appropriate procedures are in operation to enable the Trust to receive all income to which it is entitled. All invoices, receipt forms, online collection systems and other official documents used to collect income must be approved by the Chief Financial Officer or their nominee. All income must be recorded promptly and accurately in the Trust's accounting system and banked intact. Income must not be used to meet expenditure locally or to replenish petty cash. The Chief Financial Officer is responsible for ensuring that grants notified by the Department for Education, local authorities or other funding bodies are received, recorded and applied in accordance with the relevant grant conditions.
5.2	Maximisation of income It is the responsibility of all staff to ensure that income due to the Trust is identified promptly, notified to the finance team, collected efficiently and applied for Trust purposes. Charges must be made in accordance with the relevant Trust policies, approved scale of charges, grant condition or contract.
5.3	Collection of Debts The Chief Financial Officer must ensure that debtor invoices are raised promptly, recorded accurately, credited to the correct account and followed up in accordance with Trust procedures. Outstanding debts must be monitored and reported to management.

	The Trust must pursue recovery of amounts owed to it, including overpayments and erroneous payments, unless there is a clear and documented reason not to do so. Write-offs must be approved in accordance with the Scheme of Delegation and the Academy Trust Handbook.
5.4	Trips, Visits and Residential Activities Income and expenditure relating to trips, visits and residential activities must be managed through approved Trust systems. The organiser must ensure that all income due is collected, financial risks are assessed and costs are monitored before commitments are made.
5.5	Lettings and Hire of Facilities Lettings and third-party use of Trust facilities must comply with the Trust policies, insurance requirements, safeguarding requirements and any restrictions arising from the Trust's Catholic character, land arrangements, Funding Agreement or diocesan requirements.
5.6	Donations, Gifts, Benefactions and Funds Held on Trust The Chief Financial Officer is responsible for ensuring that donations, gifts, benefactions and funds held on trust are properly classified, recorded and applied in accordance with donor restrictions, charity law, accounting requirements and Trust policies. Where shares, investments or other non-cash assets are offered to the Trust, the Chief Financial Officer must ensure that appropriate due diligence is undertaken before acceptance.
6	EXPENDITURE
6.1	Scheme of Delegation and Financial Authorities The Chief Financial Officer is responsible for ensuring that payments to suppliers and other third parties are made only where expenditure has been properly authorised in accordance with the Scheme of Delegation, these Financial Regulations and Trust procedures. Budget holders are responsible for purchases within their areas and must ensure that expenditure is lawful, affordable, within budget, necessary, properly authorised and represents value for money. Authority limits apply to the total value of a transaction, contract or commitment over its full term and must not be artificially divided to avoid procurement or approval thresholds.
6.2	Procurement The Trust requires all staff involved in procurement, irrespective of the source of funds, to obtain goods, services and works at the best overall value consistent with quality, delivery, sustainability, safeguarding, equality, legal obligations and the Trust's Catholic character and ethos. All procurement must comply with the Trust policies, the Scheme of Delegation, the Academy Trust Handbook, the Procurement Act 2023 and associated regulations and applicable Find a Tender requirements. The Chief Financial Officer is responsible for ensuring that procurement policies are known and observed, for advising on procurement practice, for ensuring due regard to DfE and public procurement guidance and for ensuring that appropriate procurement records are retained.
6.3	Purchasing Orders Official purchase orders must be raised before goods or services are ordered, except where an exemption is permitted by Trust policies or approved purchasing card arrangements.

	In exceptional urgent circumstances, oral orders may be given only where necessary to protect the Trust's interests and must be confirmed by an official purchase order as soon as practicable.
6.4	Purchasing Cards The operation and control of Trust purchasing cards, credit cards and debit cards are the responsibility of the Chief Financial Officer. Cards may be issued only where approved and subject to clear limits, reconciliation arrangements and segregation of duties. Cardholders must use cards only for valid Trust business purposes and within authorised limits. Cards must not be loaned to another person or used for personal or private purchases. Misuse may be treated as misconduct.
6.5	Receipt of Goods and Services Goods and services must be checked promptly on receipt to confirm that they are satisfactory, complete and in accordance with the order or contract. Payment must not be authorised unless goods or services have been received or another valid basis for payment has been approved.
6.6	Payment of Invoices Payments must normally be made by BACS or another approved electronic payment method. Payments must be supported by a valid invoice, contract, grant claim or approved payment request and must be matched to an authorised purchase order and evidence of receipt wherever applicable. Invoice approval confirms that goods or services have been received, the invoice is accurate, VAT has been correctly treated, the expenditure is properly coded, the budget is available and the payment has not previously been made.
6.7	Contracts Contracts must only be entered into where there is a clear business need, approved budget, value for money and approval in accordance with the Scheme of Delegation. Signed contracts must be retained securely and made available for audit or inspection when required. The total value of a contract must be assessed over its full term, including extensions, renewals and associated costs. Contracts must not be divided to avoid approval or procurement thresholds.
6.8	Leases Operating leases must be approved in accordance with the Scheme of Delegation before any commitment is made. This includes leases, hire agreements, licences, rentals and similar arrangements for land, buildings, vehicles, equipment or other assets. The Chief Financial Officer must review proposed leases to confirm affordability, value for money, accounting treatment and whether Department for Education approval is required. Leases must be recorded, monitored and retained securely. The Trust must not enter into finance leases, borrowing arrangements or leases requiring Department for Education approval unless that approval has been obtained in advance by the Chief Financial Officer or Accounting Officer.
6.9	Capital Capital expenditure must be approved in accordance with the Scheme of Delegation before any commitment is made. This includes expenditure on land, buildings, works, ICT, equipment, fixtures and fittings. The Chief Financial Officer is responsible for establishing a capital planning process for land, buildings, equipment, IT equipment, fixtures, fittings and other capital items. Capital projects must be supported by appropriate business cases, risk assessments, affordability assessments and approvals under the Scheme of Delegation.

	Any new activity or material investment requiring significant buildings, resources or staff time must be considered by the Executive Leadership Team and relevant Committee before approval in accordance with the Scheme of Delegation.
6.10	Hospitality and Alcohol Hospitality must be modest, proportionate, properly authorised and consistent with the Trust's policies on gifts, hospitality and anti-bribery. Trust funds must not be used to purchase alcohol for consumption, except where it is to be used in religious services.
6.11	Related Party Transactions The Trust must manage related party transactions in accordance with the Academy Trust Handbook, the Scheme of Delegation, the Conflict of Interest Policy and any Department for Education reporting or approval requirements. All contracts and other agreements with related parties must be reported to the Department for Education in advance of the contract or agreement commencing or being renewed, unless an applicable exemption is expressly permitted by the Academy Trust Handbook. Where prior Department for Education approval is required, approval must be obtained before the transaction is agreed and before it occurs. Conflicted individuals must not participate in the decision.
6.12	Special Payments Special payments include staff severance payments, compensation payments, ex gratia payments and other payments which go beyond statutory or contractual obligations. They are subject to greater control than other payments and must comply with the Academy Trust Handbook and Scheme of Delegation. Special payments must be transparent, justifiable, properly documented and represent value for money. Department for Education approval must be obtained where required before the Trust enters any commitment.
6.13	Novel, Contentious and Repercussive Transactions Novel, contentious or repercussive transactions must always be referred to the Department for Education for approval before the transaction is agreed and before it occurs. Staff must refer any potentially novel, contentious or repercussive proposal to the Chief Financial Officer and Accounting Officer at the earliest opportunity. • A novel transaction is one which is outside the Trust's normal course of business, or where the Trust has no, or limited, experience of the proposed activity. • A contentious transaction is one which could reasonably be expected to give rise to criticism, challenge or debate by the Department for Education, Parliament, the public, parents, staff, the media or other stakeholders. • A repercussive transaction is one which may create a precedent or wider expectation that other academy trusts, schools, public bodies or stakeholders may seek to follow.
7	PAYMENT OF STAFF
7.1	Appointment and Staffing Changes Appointments, resignations, dismissals, changes in pay, secondments, absences and other payroll-related changes must be notified promptly to the HR and finance teams in the form and timescale required by Trust procedures.
7.2	Temporary, Agency and Self-Employed Staff

	The engagement of temporary, agency or self-employed staff must comply with Trust HR and Trust policies. Employment status must be considered before engagement and appropriate checks must be completed.
7.3	Remuneration All staff must be appointed and paid in accordance with the Trust policies, approved staffing structures, relevant terms and conditions, employment law and the Scheme of Delegation. Decisions relating to executive pay, including salary and any other benefits, must follow a robust evidence-based process and be a reasonable, transparent and defensible reflection of the individual's role and responsibilities. No individual may be involved in deciding their own remuneration.
7.4	Staff Reimbursement, Expenses and Allowances The Trust policies are intended to minimise the need for staff to incur personal expenditure. Travel, subsistence and other allowances must be paid only in accordance with the Expenses Policy. Overseas travel must be approved in advance in accordance with the Scheme of Delegation and Trust procedures.
7.5	Payroll The Chief Financial Officer is responsible for ensuring that salaries, wages, pensions and related deductions are paid accurately and on time and that payroll records are maintained in accordance with HMRC, pension scheme, accounting and audit requirements. Payroll must be subject to appropriate segregation of duties, monthly reconciliation and independent review. Adjustments to payroll must be supported by authorised documentation.
7.6	Pensions The Trust Board is responsible for undertaking the role of employer in relation to applicable pension arrangements. The Chief Financial Officer is responsible for ensuring that contributions and returns are made accurately and on time.
7.6	Severance, Settlement Agreements and Non-Recurring Payments Severance payments, settlement agreements and other non-recurring payments must be made only in accordance with employment law, professional advice where appropriate, Trust policies, the Scheme of Delegation and the Academy Trust Handbook. The Chief Financial Officer and HR lead must ensure that calculations are checked, approval requirements are met, Department for Education approval is sought where required and disclosure requirements in the annual accounts are observed.
8	RISK AND INSURANCE
8.1	Risk Management The Trust acknowledges the risks inherent in its business and is committed to managing risks which pose a significant threat to the achievement of its objectives, financial health, safeguarding responsibilities, estate safety, Catholic character and public reputation. The Trust must maintain a strategic risk register which identifies strategic risks. The risk register must be reviewed regularly and reported to the Audit and Risk Committee and Trust Board. The Trust Board must approve the Trust's risk appetite at least annually. Financial decisions and commitments must be taken with due regard to the risk appetite and the risk register.
8.2	Business Continuity and Crisis Management

	The Trust must maintain business continuity and crisis management arrangements at Trust and school level. These arrangements must be reviewed regularly and after significant incidents.
8.3	Insurance and Risk Protection The Chief Financial Officer is responsible for ensuring that appropriate insurance or risk protection arrangements are in place for the Trust, including participation in the Risk Protection Arrangement where applicable. Headteachers and budget holders must notify the Chief Financial Officer promptly of new risks, changes to property or equipment, proposed lettings, acquisitions, disposals or events that may give rise to an insurance or RPA claim.
8.4	Vehicles Trust-owned or leased vehicles must be approved in advance by the Headteacher or Executive and, must be used for school-related purposes only. All staff using their own vehicles in the course of their duties for the Trust or an Academy are responsible for ensuring that they hold appropriate insurance cover for business use, together with a valid driving licence, MOT where applicable and road tax. The Trust and its Academies must not accept liability for any loss, damage, penalty, fine or uninsured claim arising from the use of a private vehicle where staff have failed to maintain appropriate legal or insurance cover.
8.5	Indemnities No staff may give an indemnity, guarantee or letter of comfort without consulting the Chief Financial Officer. Department for Education approval must be obtained where required by the Academy Trust Handbook.
9	ASSETS
9.1	Land, Buildings and Fixed Plant The acquisition, disposal, lease or significant change in use of land, buildings or fixed plant must be authorised in accordance with the Scheme of Delegation, the Funding Agreement, diocesan requirements and the Academy Trust Handbook. Prior Department for Education approval must be obtained where required, including for acquiring or disposing of freehold land and buildings, certain leasehold or tenancy arrangements and any other land transaction requiring consent.
9.2	Fixed Asset Register The Chief Financial Officer is responsible for maintaining the Trust's fixed asset register. Headteachers and budget holders must provide information required to maintain complete and accurate records.
9.3	Inventories and Safeguarding Assets Headteachers and budget holders are responsible for the custody and control of assets, stock, stores, furniture, equipment, cash and records within their areas. Assets must be safeguarded against loss, damage, theft or misuse.
9.4	Personal Use Assets owned, leased or controlled by the Trust must not be used for personal purposes unless expressly authorised in accordance with Trust policies.
9.5	Asset Disposal

	Assets may be disposed of only in accordance with Trust procedures and the Scheme of Delegation. The Trust must seek to obtain the best price reasonably available and maintain regularity, propriety and value for money. Disposal of land, buildings or heritage assets must comply with the Academy Trust Handbook, Funding Agreement and any diocesan requirements.
9.6	Intellectual Property Intellectual property created by staff in the course of their employment or using Trust resources must belong to the Trust unless otherwise agreed in writing. The Chief Financial Officer must be consulted where intellectual property has potential financial value.
10	FINANCIAL MANGEMENT
10.1	Financial Planning The Chief Financial Officer is responsible for preparing annually a rolling three-year financial plan, including all schools and Trust Office, for approval by the Trust Board on the recommendation of the Finance and Resources Committee. Financial plans must be consistent with the Trust's strategic objectives, school improvement priorities, estate needs, workforce plans, pupil number projections and the requirement to maintain financial sustainability.
10.2	Budget Preparation The Chief Financial Officer is responsible for preparing each year an annual revenue budget and capital programme. The budget must include monthly cash flow forecasts and a projected year-end balance sheet. The Trust Board must approve and minute its approval of a balanced budget and any significant changes to it. The annual budget forecast return must be approved by the Trust Board before submission to the Department for Education. Where the Trust proposes to set a revenue deficit budget for the current financial year which it cannot address after taking account of unspent funds from previous years, the Trust Board must notify the Department for Education within the timescale required by the Academy Trust Handbook.
10.3	Budgetary Control The control of income and expenditure within an approved budget is the responsibility of the designated budget holder. Significant departures from budget must be reported immediately to the Chief Financial Officer and corrective action must be taken where required.
10.4	Management Accounts The Trust must prepare management accounts every month, including income and expenditure, variations against budget, cash flow forecasts and balance sheet. Management accounts must be shared monthly with the Chair of the Trust Board and considered by the Trust Board when it meets. The management accounts will be made available to all board and committee members each month.
10.5	Partnership Cost Contribution The Trust Board must determine the Partnership Cost Contribution and other centrally managed service charges in accordance with the Scheme of Delegation. The Chief Financial Officer must notify Headteachers of the approved amounts.
11	FINANCIAL CONTROL
11.1	Internal Control Framework

	The Trust must maintain sound internal control, risk management and assurance processes, including clearly communicated procedures, appropriate supervision and checks by management, internal scrutiny overseen by the Audit and Risk Committee and external audit and assurance. The control framework must ensure compliance with delegated financial authorities, appropriate segregation of duties, disciplined financial management, monthly bank reconciliations, asset controls, risk management, fraud prevention and independent checking of controls, systems, transactions and risks.
11.2	Accounting Systems All financial transactions must be recorded in the Trust's approved accounting system. Access to financial systems must be restricted to authorised users and access rights must be reviewed periodically. No single individual must have end-to-end control over a financial transaction. Bank accounts, financial systems and financial records must be operated by more than one person.
11.3	Budget Changes Budget changes and virements must be approved in accordance with the Scheme of Delegation and Trust procedures. Virements must not be used to conceal overspending or to avoid appropriate approval.
11.4	Year End Balances Treatment of year-end balances must be determined by the Trust Board in accordance with the Reserves Policy and Scheme of Delegation. Schools may carry forward balances only in accordance with Trust policies and approved arrangements.
11.5	Security of Records and Documents Official and legal documents, contracts, leases, deeds and agreements must be held securely. Signed copies must be retained in accordance with the records retention schedule and made available for audit or inspection when required.
11.6	Data Protection and Digital Security Financial records and systems must be managed in accordance with data protection law, Trust data protection policies and relevant cyber security standards. Staff must report actual or suspected data or cyber incidents in accordance with Trust procedures.
12	ACCOUNTING ARRANGEMENTS
12.1	Financial Year The Trust's financial year runs from 1 September to 31 August unless otherwise required by law, regulation or the Funding Agreement.
12.2	Accounting Basis The Trust's financial statements must be prepared in accordance with the Companies Act 2006, Charities SORP, Financial Reporting Standard 102, the Academies Accounts Direction and any other applicable accounting requirements.
12.3	Accounting Records The Chief Financial Officer is responsible for ensuring that the Trust maintains full and accurate accounting records sufficient to support the annual accounts, statutory returns, funding claims and internal and external audit.
12.4	Retention of Financial Records

	Financial records must be retained for at least six years after the period to which funding relates, or for any longer period required by law, funding conditions, audit requirements or the Trust's records retention schedule.
12.5	Annual Report and Accounts The annual report and accounts must be prepared, audited, submitted to the Department for Education, published on the Trust website, filed with Companies House and provided to the Trust Board and others in accordance with statutory and Academy Trust Handbook deadlines.
12.6	Taxation and VAT The Chief Financial Officer is responsible for advising on taxation matters, maintaining tax records, submitting tax returns and claims, making tax payments, receiving tax credits and ensuring compliance with VAT, PAYE, National Insurance, corporation tax and any other relevant tax requirements.
13	TREASURY MANAGEMENT
13.1	Cash The Trust must seek to minimise the use of cash and must avoid cash payments wherever practical. Petty cash must only be held with the approval of the Chief Financial Officer.
13.2	Bank Accounts The appointment of bankers and the opening or closing of bank accounts must be approved in accordance with the Scheme of Delegation. All bank accounts must be in the name of the Trust or a Trust-approved entity. Bank mandates and authorised signatories must be reviewed regularly. Electronic payments must be subject to appropriate authorisation, segregation of duties and audit trail. The Trust must manage its cash position robustly and avoid becoming overdrawn on any bank account. Cash flow forecasts must be prepared and reviewed regularly.
13.3	Reserves The Trust Board must approve and review the Reserves Policy annually and explain its policy and reserves position in the annual report and accounts.
13.4	Investments The Trust Board may invest to further the Trust's charitable aims, but must ensure that investment risk is properly managed. Security of funds must take precedence over revenue maximisation. Investments must comply with the Reserves Policy, Academy Trust Handbook and Charity Commission guidance.
13.5	Borrowing The Trust must not borrow, including by overdraft, loan, finance lease or any arrangement which has the substance of borrowing, without prior Department for Education approval unless expressly permitted by the Academy Trust Handbook.
13.6	Leasing Leasing arrangements must be assessed before commitment to determine whether they are finance leases or operating leases. Department for Education approval must be obtained where required by the Academy Trust Handbook.
14	AUDIT AND REGULATORY
14.1	External Audit The Trust Board are responsible for appointing the external auditor. The appointment must be subject to regular review and competitive tender in accordance with the Academy Trust

	Handbook and good practice. The Diocese may undertake auditor tender and appointment on behalf of the Trust. The external auditor must have authority to access Trust premises, records, documents, correspondence, assets, explanations and staff as required to perform their duties.
14.2	Internal Audit The Trust must operate a programme of internal audit providing independent assurance to the Trust Board that financial and non-financial controls and risk management procedures are operating effectively. The programme of internal audit must be approved annually by the Audit and Risk Committee, be informed by the risk register, be independent and objective and report findings promptly to the Audit and Risk Committee and Trust Board.
14.3	DfE Access The Trust must provide the Department for Education or its agents with access to all books, records, information, explanations, assets, premises and staff as required for audit, investigation or financial management review.
14.4	DfE Submissions The Trust must complete and submit all financial, governance and compliance returns required by the Department for Education, ESFA or any successor body by the applicable deadline.
14.5	DfE Regulatory Notices The Accounting Officer must share any Dear Accounting Officer letter with the Trust Board, Chief Financial Officer and Executive and arrange for the Trust Board to discuss it and take any necessary action. Where the Trust is subject to a Notice to Improve or enhanced Department for Education oversight, the Trust Board must ensure full compliance with the terms of the notice. Progress against required actions must be monitored by the Audit and Risk Committee and Trust Board.
15	FRAUD AND IRREGULARITY
15.1	Fraud and Irregularity The Trust has zero tolerance of fraud, theft, bribery, corruption, cybercrime and financial irregularity. The Trust must maintain proportionate controls to prevent, detect and respond to such matters.
15.2	Cybercrime and Ransomware The Trust must be aware of the risk of cybercrime and maintain proportionate controls. Cyber security incidents must be reported and managed in accordance with Trust procedures. The Trust must not pay cyber ransom demands.
15.3	Reporting Suspensions It is the duty of all Trust Board and Committee members and staff to notify the Chief Financial Officer, Accounting Officer, Chair of the Audit and Risk Committee or other appropriate person immediately whenever any matter arises which involves, or is thought to involve, fraud, theft, irregularity, bribery, corruption, cybercrime or impropriety.
15.4	Whistleblowing Whistleblowing concerns must be managed in accordance with the Whistleblowing Policy. No person who raises a genuine concern in good faith must suffer detriment for doing so.
15.5	Investigation

	The Accounting Officer must ensure that suspected irregularities are investigated in accordance with the Whistleblowing Policy or Anti-Fraud, Bribery and Corruption Policy. Where appropriate, the police, auditors, insurers, RPA or other relevant bodies must be notified.
15.6	Reporting to the Department for Education The Trust Board must notify the Department for Education as soon as possible of all instances of fraud, theft or irregularity exceeding the reporting threshold set out in the Academy Trust Handbook, whether individually or cumulatively in any financial year. Unusual or systematic fraud must be reported regardless of value.

16. APPENDIX: SCHEME OF DELEGATION

Scheme of Delegation	Primary Headteacher	Secondary Headteacher	CEO/CFO	Committee	DfE
Petty cash <i>(by exception only)</i> [13.1]	£500	£500	£500	>£500 (F&R)	N/A
Capital Expenditure [6.9]	£2,000	£2,000	£250,000	£1m (F&R)	
Contracts [6.7]	£25,000 (£10,000 LGC)	£50,000 (LGC)	£250,000	£1m (F&R)	
Revenue Expenditure [6.2]	£25,000	£50,000	£250,000	£1m (F&R)	
Change in Year End position [10.3]	£25,000	£100,000	£250,000	£1m (F&R)	
Leases <i>(operating not finance lease)</i> [6.8]	N/A	N/A	£250,000	£1m (F&R)	
Related part transactions [6.11]	N/A	N/A	£2,500 individual, £40,000 total		DfE approval may be required
Theft, fraud or irregularity [15.1]	N/A	N/A	£5,000		
Debt write-off [5.3]	N/A	N/A	£45,000		
Guarantees, letters of comfort and indemnities [8.5]	N/A	N/A	£45,000		
Settlement Agreements [7.6]	N/A	N/A	£50,000 contractual (£25,000)	£50,000 (P&P) non-contractual, £100,000 total	