



Financial Policy and Regulatory Framework

2024/25

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CONTENTS

Part One - PLYMOUTH CAST MULTI ACADEMY TRUST

Purpose

1. [Introduction](#)
2. [Roles and Responsibilities for Financial Oversight](#)
 - 2.1 Role of the Chief Executive Officer
 - 2.2 Role of the Chief Finance Officer
 - 2.3 Role of Finance Officers, School Business Managers and Budget Holders
3. [Financial Planning, Monitoring and Reporting](#)
 - 3.1 The Trust Improvement Plan
 - 3.2 Annual Budgets
 - 3.3 Monitoring and Review
4. [Freedoms and Delegated Authorities](#)
5. [Register of Interests](#)
6. [Internal Scrutiny](#)
 - 6.1 Investigation of Fraud and Irregularity
 - 6.2 Appointment of External Auditors
 - 6.3 Accounting Officer Statement
7. [Financial Administration](#)
 - 7.1 Accounting System
 - 7.2 Back-up Procedures
 - 7.3 Transaction Processing
 - 7.4 Transaction Reports
 - 7.5 Reconciliations
8. [Payroll](#)
 - 8.1 Staff Appointments
 - 8.2 Payroll Administration
 - 8.3 Payroll Payments
9. [Procurement](#)
 - 9.1 Routine Purchasing
 - 9.2 Business Charge-cards
10. [Other Matters](#)
 - 10.1 General Annual Grant (GAG)
 - 10.2 Financial Delegations

Part Two - LOCAL CAST BOARDS AND ACADEMIES

Purpose

11. [Summary of Responsibilities](#)
 - 11.1 The Role of the Local CAST Board
 - 11.2 The Role of the Finance Committee
 - 11.3 The Role of the Head Teacher
 - 11.4 The Role of the Finance Team/Schools' Business Manager
 - 11.5 The Role of the Staff
12. [Limits of Delegation](#)
 - 12.1 Virements with Budget Share
13. [Financial Reports to Governors](#)
14. [Procurement of Goods and Services](#)
15. [Operation of Local Expenditure Bank Account](#)
16. [Petty Cash Accounts](#)
17. [Security, Inventories, Stocks and Assets](#)
 - 17.1 Security
 - 17.2 Inventories
 - 17.3 Acquisitions and Disposal of Assets
 - 17.4 Loan of Equipment
18. [Charging Policy](#)
 - 18.1 Voluntary Contributions
 - 18.2 Charges Will Be Made
 - 18.3 Charges Will Not Be Made
 - 18.4 Remissions
19. [Insurance Arrangements](#)
20. [Receiving Income](#)
21. [Miscellaneous Issues](#)
 - 21.1 Register of Pecuniary (or Business) Interests
 - 21.2 Gifts
 - 21.3 Expenses Paid to Governors and Trustees
 - 21.4 Audit

Part Three - APPENDICES

- A. [Scheme of Delegation – Authorisation Limits](#)
- B. [Fraud Policy and Procedures](#)
- C. [Best Value Statement](#)
- D. [Reserves Policy](#)
- E. [Fixed Asset Policy](#)
- F. Investment Policy

Document Control

Changes History

Version	Date	Amended by	Recipients	Purpose
1.0	13 December 2017	K Cook Interim CFO	Board	Initial creation
2.0	11 September 2018	K Cook CFO	Board	Updated for changes to the scheme of delegation and financial approval levels
3.0	Sept 2019	Karen Cook	Board	Updated following recommendations from Auditors & SBM's
4.0	June 2020	Karen Cook	Board	Updated
5.0	July 2021	Karen Cook	Board	Updated
6.0	March 2022	Laura Fox	Board	Updated to include Investment Policy
7.0	June 2022	Laura Fox	Board	Updated for changes to the scheme of delegation and financial approval levels
8.0	September 2023	Karl Murphy-Barnes	Board	Updated for changes to best value levels and additional policy around fraud involving senior leaders
9.0	July 2024	Karl Murphy-Barnes	Board	
10.0	December 2024	Karl Murphy-Barnes	Board	Updated

Approvals

This policy requires the following approvals:

Board	Chair	CEO	Date Approved	Version	Date for Review
*			Initial Version 13 December 2017	1.0	September 2018
*			To be approved 21 Sept 2018	2.0	July 2019
*			Approved Sept 2019	3.0	Sept 2021
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*			Approved July 2023	7.0	September 2023
*				8.0	October 2024
*			Approved December 2024	10.0	December 2025

National/Local Policy

- This policy must be localised by Academies
- This policy must not be changed.

Position with the Unions

Does the policy require consultation with the National Unions under our recognition agreement? Yes
 No If yes, the policy status is: Consulted and Approved Consulted and Not Approved
Awaiting Consultation

Distribution

This document has been distributed to:

Position	Date	Version
Board	21 st September 2018	2
Board	19 July 2019	Final 2019/20
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Board & Schools		5.0
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Vision and Values

Plymouth CAST is a multi-academy trust of Catholic schools which is part of the mission of the Catholic Church dedicated to human flourishing and the building of a kingdom of peace, truth and justice. The Trust is to be conducted in all aspects in accordance with canon law and the teachings of the Roman Catholic Church and at all times to serve as a witness to the Catholic faith in Our Lord Jesus Christ.

Our vision and values are derived from our identity as a Catholic Trust. Central to our vision is the dignity of the human person, especially the most vulnerable. Our academies are dedicated to providing an education and formation where all our pupils and young people flourish in a safe, nurturing, enriching environment. All governors in our academies are expected to be familiar with the vision, mission, values and principles of the Trust and not in any way to undermine them. They should support and promote the vision and conduct themselves at all times in school and on school business according to the vision and principles of the Trust

Plymouth CAST expects all its employees to recognise their obligations to each school within the Multi-Academy Trust, the public, pupils and other employees and to provide consistently high standards of education and performance at all times and in accordance with Plymouth CAST's vision, mission and principles.

Part One

PLYMOUTH CAST MULTI ACADEMY TRUST FINANCIAL POLICY AND REGULATORY FRAMEWORK

Purpose

The purpose of this document is to ensure that the Multi Academy Trust (MAT) maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreements with the Education & Skills Funding Agency (ESFA) or successor body.

Each school/academy within the Plymouth CAST Multi Academy Trust must comply with the principles of financial control outlined in the academies guidance published by the ESFA in the Academy Funding Agreement and the Academies Trust Handbook. This policy document provides more detailed information on the financial regulations, the delegated powers and the links to the financial operating procedures in place that will be updated as required. This policy must be read by all staff involved with financial systems and copies will be made available as necessary. It also provides a standardised approach to all finance related tasks within the Trust and its schools/academies.

Compliance with the Policy is mandatory and any contravention of procedures must be brought to the attention, in the first instance, of the Chief Finance Officer.

All staff, including the Accounting Officer, the Chief Finance Officer, Head teachers and designated Finance staff who deal with financial matters are trained in the appropriate procedures and records are kept of this training. The duties of the Accounting Officer, the Chief Finance Officer, Head teachers, Schools' Business Managers, Finance Officers and the Finance Assistants, are recorded as are any agreed deputising arrangements to ensure business continuity.

All staff are aware of the Academy Trust's Whistleblowing Policy and to whom they should report any concerns regarding malpractice and wrongdoing. Any suspected financial irregularity will be reported to the DfE or successor body.

The Academy Trust's Audit Committee is responsible for ensuring regular and robust review of all controls and procedures in respect of the financial systems operating within the Trust. This will form part of the annual internal audit plan approved by the Board of Trustees and be reported on to the full Board of Trustees annually.

1. Introduction

The Plymouth CAST Multi Academy Trust ("the MAT") is a Multi Academy Trust. The Trust is a company limited by guarantee and an exempt charity. All schools/academies within the MAT are governed by the Trust, the members and Trustees, who are also Directors of the company. As outlined in the Academy Trust Handbook¹ 'the board of Trustees manages the business of the academy Trust and should focus strongly on the three core functions of governance:

- Ensuring clarity of vision, ethos and strategic direction
- Holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance and management of staff
- Overseeing the financial performance of the organisation and making sure money is well spent'

The structure, objects and powers of the company are set out in the Articles of Association and the more detailed powers are outlined in the Scheme of Delegation, which will be regularly reviewed and updated in line with the needs of the MAT. As the MAT receives funds from the ESFA it must also comply with the Trust's funding agreement with the Secretary of State.

2. Roles and Responsibilities for Financial Oversight

The main responsibilities of the MAT are prescribed in the funding agreements with the ESFA. The key responsibilities include:

- ensuring that grants from the ESFA are used only for the purposes intended
- approval of the annual budget
- balancing its budget from year to year
- production of an Annual Report and Accounts
- appointment of auditors
- appointment of an Accounting Officer; the Chief Executive
- approval of the appointment of the Chief Finance Officer; the Finance Director
- ensuring regularity, propriety and value-for-money in relation to the management of public funds

Subject to provisions of the Companies Act 2006, the Articles and to any directions given by special resolution, the business of the Company will be managed by the Trustees (Directors) who may exercise all the powers of the Company.

The Academy Trust has defined the responsibilities of key committees and staff involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The Committees that have responsibilities relating to the Academy finances are as follows:

- MAT Board
- Audit & Risk Committee
- Finance & Resources Committee

2.1 Role of the Chief Executive Officer

¹ Academies Financial Handbook, Education & Skills Funding Agency

The Chief Executive Officer has overall responsibility for the MAT's activities including financial activities. As the Accounting Officer for the MAT, the Chief Executive Officer is personally responsible for:

- Propriety and regularity of the public finances for which they are answerable. This covers standards of conduct, behaviour and corporate governance
- The MAT financial affairs, including the keeping of proper accounting records and the management of opportunities and risks
- Value for money in terms of achieving the best possible educational outcomes through the efficient and effective use of all available resources, prudent and economical administration and the avoidance of waste and extravagance.

The MAT's accounting officer is required to complete and sign a short statement each year explaining how the Trust has secured value for money. This must be sent to the ESFA and be published on the academy Trust's website. It will also be placed on the DfE's website.

In practice, much of the financial responsibility is delegated to the Chief Finance Officer, who will perform the role of a Finance Director but the Chief Executive Officer retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the Trustees have agreed should be approved by them
- authorising orders, contracts and signing cheques / releasing payments in conjunction with other authorised signatory in accordance with the agreed Scheme of Delegated Financial Authority (Appendix 1)
- Presenting budget plans for approval in conjunction with the Chief Finance Officer
- implementing expenditure in line with the Academy budget
- seeking MAT approval for purchase orders or contracts in excess of delegated thresholds
- ensuring financial reports are submitted to the MAT Board in line with the ESFA requirements
- ensuring any actions resulting from the annual audit processes are implemented

2.2 Role of the Chief Finance Officer

A Chief Finance Officer who will perform the role of the Trust's Finance Director and should be appropriately qualified and experienced to lead on financial matters must be appointed by the Chief Executive and approved by the Trust's board. The Chief Finance Officer works in close collaboration with the Chief Executive Officer through whom they are responsible to the members and Trustees. The Chief Finance Officer also has direct access to the trustees (Directors) and governors of local CAST boards. The main responsibilities of the Chief Finance Officer are:

- management of the MAT financial position at a strategic and operational level within the framework for financial control determined by the members and Trustees (Directors)
- preparation of budget plans in conjunction with the Chief Executive Officer, Senior team members and Head Teachers
- the preparation of monthly management accounts for the MAT, including income and expenditure reports, cash flow forecasts and a balance sheet
- day to day management of financial matters including the establishment and operation of a suitable MAT wide accounting system
- the maintenance of effective systems of internal control
- maintenance of adequate fixed asset registers

- liaison with auditors to ensure that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust
- ensuring that accurate statutory and regulatory returns are sent to the ESFA and other relevant bodies in a timely manner
- ensuring internal audit is carried out in line with ESFA requirements
- additional roles, some of which are not directly finance related, as outlined in the job description

2.3 Role of Finance Officers and Budget Holders

Other members of staff, primarily the Finance Manager (s), Schools' Business Manager, Finance Officers, Finance Assistants, Senior Administrators and departmental budget holders, will have some financial responsibilities and these are detailed in following sections of this manual or the financial operating procedures.

All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources, and for conformity with the requirements of the Trust's financial policy and procedures.

3. Financial Planning, Monitoring and Reporting

The MAT prepares both medium term and short-term financial plans.

The medium-term financial plan is prepared as part of the strategic planning process. The Strategic Plan (SP) indicates the overall direction of travel for the Trust and the Trust Improvement Plan outlines how the MAT's educational and other objectives are going to be achieved within the expected level of resources over the next three years.

The Trust Improvement Plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the MAT and the planned use of those resources for the following year.

The strategic planning process and the budgetary process are described in more detail below.

3.1 The Strategic Plan (SP)

The SP is concerned with the delivery of the strategic aims and objectives of the MAT; that includes matching the MAT's objectives and targets to the resources expected to be available. Plans should be kept relatively simple and flexible. They are the "big picture" within which the Trust Improvement Plan will be integrated.

The Chief Executive Officer will propose a planning cycle and timetable annually, in line with the needs of the Trust and the requirements of the ESFA. It will include the following:

- a review of past activities, aims and objectives - "did we get it right?"
- definition or redefinition of aims and objectives - "are the aims still relevant?"
- development of the plan and associated budgets - "how do we go forward?"
- implementation, monitoring and review of the plan - "who needs to do what by when to make the plan work and keep it on course"
- feedback into the next planning cycle - "what worked successfully and how can we improve?"

The timetable will specify the deadlines for the completion of each of the key stages described above. Lead responsibility for the completion of each of the stages will be assigned by the Chief Executive Officer.

The completed Trust Improvement Plan will include detailed objectives for the coming academic year. The plans will also include the estimated resource costs, both capital and

revenue, associated with each objective and success criteria against which achievement can be measured.

3.2 Annual Budgets

Annual budgets will reflect the best estimate of the resources available to each school/academy for the forthcoming year and how those resources are to be utilised by each school/academy. There should be a clear link between the SP objectives, the Trust Improvement Plan and the budgeted utilisation of resources. The budgetary planning process will incorporate the following elements:

- forecasts of the likely number of pupils to estimate the amount of ESFA grant receivable
- review of other income sources available to the individual school/academies within the MAT to assess likely level of receipts
- a consolidated position reflecting the budget for the entire MAT
- review of past individual performance against budgets to promote an understanding of the Trust cost base
- identification of potential efficiency savings
- review of the main expenditure headings in light of the strategic plan objectives and the expected variations in cost, e.g. pay increases, inflation and other anticipated changes
- school/academy budgets which must be presented by the Head Teachers to the scrutiny panel in line with published timelines.

The Chief Finance Officer, in conjunction with the Chief Executive Officer, is responsible for preparing and presenting the MAT annual budget. The board of Trustees must approve a balanced budget as a minimum, unless otherwise agreed with the ESFA. This approval must be minuted, and the budget must be submitted to the ESFA in line with notified timelines and in the specified form.

3.3 Monitoring and Review

Budget monitoring reports have been developed in which variances are highlighted for discussion as appropriate. The consolidated position for the MAT will be presented monthly to the Senior Management Group and the Chair of the Board monthly, and at least six times per year to the full Board. Reports will include revenue income and expenditure, a balance sheet and cash flow. A report on investment decisions and an update on capital investment must be provided to the full board at least termly. Budget monitoring reports will be prepared for each school/academy in line with the accounts publication calendar issued annually.

The monitoring process should be effective and timely in highlighting variances in the budget so that differences can be investigated and action taken where appropriate. Any potential overspend against budget must, in the first instance, be discussed with the Chief Finance Officer.

4. Freedoms and Delegated Authorities

The schedule of freedoms and delegated authority from the ESFA over different categories of financial transactions is outlined in the Academy Trust Handbook which is updated annually and relates to the following matters:

- Novel, contentious and repercussive transactions
- Borrowing
- Leasing
- Write-offs and liabilities
- Special payments including staff severance, compensation and ex-gratia payments
- Acquisition and disposal of fixed assets

- GAG pooling and carry forward
- Gifts
- Related Party Transactions

Before engaging in any matters included above, staff must seek the advice of the Chief Finance Officer, to ensure compliance with the current regulatory framework.

It should be noted that Trusts under a Notice to Improve may have their delegated authorities revoked and, in this case, new contracts for services will require approval and should be referred to the CFO prior to any commitment being made.

5. Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all members, Trustees (Directors), governors and staff who can influence financial decisions, or spending powers, are required to declare any financial interests they have in companies or individuals from whom the Trust may purchase goods or services.

The register is open to public inspections and should include all business interests such as Directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the Trust. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a member, Director, governor or a member of staff by that person. Relationships with connected parties will require high standards of accountability and transparency.

All relevant business and pecuniary interests of members, Trustees (Directors), local governors of academies within Plymouth CAST and senior employees must be published on the academy's website.

The existence of a register of business interests does not, of course, detract from the duties of members, Directors, governors and staff to declare interests whenever they are relevant to matters being discussed by the Local CAST Board or a committee. Where an interest has been declared, members, Directors, governors and staff should withdraw from that part of any committee or other meeting.

5.1 Related Party Transactions

As prescribed by the ESFA all related party transaction must be notified to the ESFA prior to the transaction being entered into. Where any transaction exceeds £40,000 approval MUST be obtained in advance. Guidance on related parties is available in the Academy Trust Handbook and the Accounts Direction, as published annually by the ESFA. If there is any doubt please contact the Chief Finance Officer before entering into any transactions.

6. Internal Scrutiny

As prescribed by the ESFA every academy Trust must have in place a process for independent checking of financial controls, systems, transactions and risks.

The Audit Committee will be responsible for ensuring independent checking of financial controls, systems, transactions and risks through the appointment of internal auditors and agreeing an annual programme of work that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors.

Regular review work will be undertaken cyclically by the Chief Finance Officer, particularly to provide assurance in respect of the process in the schools.

6.1 Investigation of Fraud and Irregularity

The responsibilities of the accounting officer extend to the prevention of loss through fraud and irregularity. However, in addition to the accounting officer's responsibilities, the members of a MAT are also responsible for preventing such losses of public funds, and this means that members, Trustees (Directors) and governors must be aware of the risk of fraud and irregularity to occur within their organisations and they must, as far as possible, address this risk in their internal control and assurance arrangements by putting in place proportionate controls. The MAT is also responsible for ensuring that appropriate action is taken where fraud and irregularity is suspected or identified. The Fraud Policy in Appendix C outlines the procedures to be adopted in such an event.

All instances of fraud or theft committed against the Trust, whether by employees or governors or third parties, above £5,000, must be reported by the Trust to the ESFA. Any unusual or systematic fraud, regardless of value, must also be reported.

The ESFA reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any academy either as the result of a formal notification from the Trust itself or as the result of other information received.

6.2 Appointment of External Auditors

The Trust is required to submit the accounts for an annual audit. The appointment of auditors will be subject to the relevant procurement process and for a period of three years, with the option to extend for five prior to retender. The appointment of the auditors will be confirmed annually by the Board of Trustees, on the recommendation of the Audit committee, who are responsible for monitoring the performance of the auditors.

The auditors are required to give an opinion on whether:

- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Direction issued by the ESFA
- proper accounting records have been kept by the Academy throughout the financial year
- grants received have been applied for the purposes intended

If auditors are removed or resign prior to the expiry of the term of engagement, the ESFA must be notified immediately in writing.

6.3 Accounting Officer Statement

The accounting officer must make an annual statement on regularity, propriety and compliance in a form acceptable to the ESFA as outlined in the annual publication of the Accounts Direction. This statement must be reviewed by the external auditors.

7. Financial Administration

The Chief Operating Officer will ensure that the MAT will pay a data protection fee to the Information Commissioner's Office in accordance with the Data Protection (Charges and Information) Regulations 2018. The registration will require a single data Controller to be named and the named Data Controller in the Trust will be the Chief Operating Officer.

All the financial transactions of the MAT must be recorded on the accounting system operated by the Finance Departments in each academy.

Financial records are required to be kept for at least six years. This is a requirement laid down by Her Majesty's Revenue and Customs (HMRC).

7.1 Accounting System

The accounting system is protected by access permissions to authorised staff. Access permissions are strictly controlled and individual log-ins and passwords are not to be shared. The Chief Finance Officer is responsible for determining the access levels for all members of staff using the system and ensuring compliance. The Finance Manager is responsible for accurately maintaining the authorised passwords.

All leavers with previous access to the accounting system must have their access permissions formally removed.

7.2 Back-Up Procedures

The Chief Finance Officer is responsible for ensuring that there are effective back up procedures for the system and that a disaster recovery plan is in place in the event of loss of accounting facilities or financial data.

7.3 Transaction Processing

All transactions input to the accounting system must be authorised in accordance with the Finance Operating Procedures in place and regularly reviewed and updated by the Trust Finance Manager. The summary procedures for the operation of the payroll, the purchase ledger and the sales ledger are included in following sections of the document. All journal entries must be documented in the accounting system.

7.4 Transactions Reports

The Chief Finance Officer will obtain and review system reports to ensure that only regular transactions are posted to the accounting system. The reports obtained and reviewed will include:

- monthly payroll reports
- monthly bank statement reconciliations (main bank account)
- monthly procurement card statements
- quarterly VAT returns
- management accounts summarising expenditure and income against budget school and Trust level

7.5 Reconciliations

The Finance Manager(s), Schools' Business Managers, Finance Officers or other designated staff are responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- payroll
- bank balance per the nominal ledger to the bank statement
- petty cash
- procurement cards
- VAT
- Agreed balance sheet accounts

Any unusual or long outstanding unreconciled items must be brought to the attention of the Chief Finance Officer.

8. Payroll

The main elements of the payroll system are:

- staff appointments
- payroll administration
- payments

8.1 Staff Appointments

Trustees (Directors) of the MAT have the authority to appoint the Chief Executive Officer, the Clerk, and the Head Teacher at each school/academy.

The appointment of a Chief Finance Officer by the Chief Executive Officer must be approved by the Trustees (Directors) of the MAT.

Appointments to 'reserved' posts where a genuine occupational requirement exists; namely Head Teachers (including Executive Heads), Deputy Heads and RE leaders the appointment process must be made in line with the Policy for Recruitment to Reserved Posts

All other staff appointments and changes to substantive contracts must be authorised by the Chief Finance Officer or delegated signatories who may include Schools' Business Managers.

Each School in the MAT maintains personnel files for all members of staff which include contracts of employment. All proposed personnel changes must be notified to HR, Schools' Business Managers and Finance Managers. Head Teacher and head office staff files are maintained by the Head Office HR department.

The Chief Executive Officer is responsible for ensuring that the Trust's pay policies are implemented.

The Chief Executive Officer is responsible for ensuring that the statutory obligations around the Safer Recruitment Policy and procedures are administered and Head Teachers will be responsible for maintaining accurate records of all staff employed on the single central record. The operation of these processes can be delegated to the Chief Finance Officer and Head of HR.

Personnel information may be held in manual files under the guidance of the Chief Finance Officer, with access strictly limited to authorised officials only and separately on the SIMS computer system, for which relevant registration under the Data Protection Act 2018 is held.

8.2 Payroll Administration

The MAT payroll is administered by an external provider.

Amendments to payroll data, e.g. appointments, resignations and pay changes are made by the provider on the instruction of the Head of HR once authorised by the relevant delegated manager as detailed in 8.1 above.

8.3 Payroll Payments

All staff are paid monthly by bank credit transfer to their bank accounts.

All supply teacher, casual working and overtime claims must be checked and confirmed by a budget holder and must be forwarded promptly by the school for input on to the payroll system. The Chief Finance Officer will check a sample of supply teacher, overtime, casual and expenses each month to ensure that the payroll system is operating correctly.

Head Teachers are responsible for checking the payroll changes information sent to the school prior to the authorisation of the payroll. Evidence of this check must be retained by the school for audit purposes.

Monthly reconciliations will be undertaken by the Finance Manager or delegated individual.

The MAT has a responsibility for ensuring that all payments to individuals are subject to tax and national insurance deductions where appropriate. In order to achieve this, the following guidelines should be followed:

- an assessment must be made as to whether the individual is providing a contract of service (i.e. employed) or a contract for services (i.e. self-employed) using the latest IR35 guidance,
- if considered to be a contract of service, the individual shall be set up as an employee of the school before receiving payment through the payroll
- where an individual seeks payment from the school for a contract for services, this must be in the form of an invoice

Careful attention should be paid to repetitive payments to individuals.

Expense claims are also processed via payroll and paid directly to the employee. The MAT maintains its rate of reimbursement at or below the current HMRC Approved Rates.

9. Procurement

The MAT has an obligation to secure best value in terms of procurement. A large proportion of their purchases will be paid for with public funds and we need to maintain the integrity of these funds by following the general principles of:

- **Probity:** it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust and School/academy
- **Accountability:** the Trust and school/academy is publicly accountable for its expenditure and the conduct of its affairs
- **Fairness:** that all those dealt with by the Trust and school/academy are dealt with on a fair and equitable basis.

9.1 Routine Purchasing

Budget holders will be informed of the budget available to them as soon as the budget is formally ratified and approved by the Trustees (Directors). It is the responsibility of the budget holder to manage their element of the budget and to ensure that the funds available are not overspent. The accounting system will provide live information of spent and committed funds.

It is essential that all of the following controls are adhered to:

- orders should not be entered into verbally and unless a Purchasing Card has been used, orders should always include the school's terms & conditions of the order to protect the MAT against terms and conditions imposed by suppliers in the absence of quoted terms & conditions
- the use of 'Official Order Forms' or equivalent through the local system automatically updates the financial records and enables committed expenditure to be included in management information for governors
- in exceptional circumstances (e.g. emergency repairs) orders may be placed by telephone. In such circumstances a confirmation order should be generated. Orders may be emailed to suppliers, in order to reduce timelines. In such circumstances care should be taken to email both sides of the official order form, so the supplier receives the MAT's terms and conditions.
- orders should only be approved in accordance with the authorised limits within the scheme of delegation listed in Appendix A of this document

- orders may only be used for goods and services provided to the MAT. Private individuals and other organisations may not purchase items through the Trust, nor should they benefit personally in any way from being an employee, governor or director of the Trust
- Orders must be raised for all items, including longer term contracts, such that the commitment is clear on the Finance System, thereby supporting more accurate reporting

The school budget holder or designated officer must make appropriate arrangements for the delivery of goods and services to the school. On receipt of goods and services there must be a detailed check of the goods and services received against the purchase order (or equivalent in exceptional circumstances). Where delivery notes are not produced, then the receipt of goods and services should be recorded on the order form. All discrepancies should be discussed with the supplier of the goods and services without delay.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the academy's finance office should be notified. The school administrator will keep a central record of all goods returned to suppliers.

Invoices will be authorised for payment by the relevant cost centre holder and processed for payment by the Trust.

9.2 Business Charge cards

Business Charge cards are held by named cardholders in each school. Each cardholder is personally responsible for the safe custody of their card. The card should be held securely at all times and any loss of cards should be reported immediately. Both the cardholder and the budget manager are jointly liable for the integrity of all transactions and proper and controlled use of the procurement card. All receipts must be produced and reconciled monthly to the monthly statement by the designated finance staff member and reviewed and signed off by the Head Teacher or other relevant individual.

With respect to purchases made on the school business card/credit card no purchase order is required, but a requisition must be approved by a delegated signatory PRIOR TO the purchase being made.

The Chief Finance Officer or designated staff member will check each academy's monthly reconciliation to ensure that the business charge card system is operating correctly.

10. Other Matters

10.1 General Annual Grant (GAG)

It is important that the grant is only spent as needed to avoid excess calls on Exchequer funding and public borrowing. In line with the freedoms and delegations a Trust may carry forward gag and pool gag unless these powers have been revoked through a Financial Notice to Improve.

The DfE expects academy Trusts to use their allocated funding for the full benefit of their current pupils. Therefore, it is important that, if the MAT has a substantial surplus, they have a clear plan for how it will be used to benefit their pupils.

The ESFA will also verify the sums of unspent funds when it checks the Trust's accounts and highlight and report, to the relevant DfE Boards, any cases where it has serious concerns about a long-term substantial surplus with no clear plans for use.

The MAT has the freedom to amalgamate a proportion of GAG funding for all its academies to form one central fund. This fund can then be used to meet the normal running costs at any of the academies within the Multi-Academy Trust in accordance with the guidelines that govern the use of GAG funding.

The MAT must have due regard to the funding needs and allocations of each individual academy. If an individual academy's head teacher feels that the academy has been unfairly treated in relation to pooling arrangements, they should first appeal to the Trust. If the academy principal's grievance is not resolved, they may then appeal to the Secretary of State for Education, whose decision will be final and who may dis-apply the provisions for pooling in relation to the MAT.

10.2 Financial Delegations

The MAT will agree delegated budgets annually following approval by the Directors (Trustees). Expenditure within the delegated budget will be made in line with the delegated authorities outlined in Appendix A.

Staff appointments will be approved by the Chief Executive Officer or other delegated senior manager in line with agreed delegated authorities which may be varied from time to time.

Part Two
LOCAL CAST BOARDS AND ACADEMIES

Purpose

This purpose of this section is to outline the respective responsibilities of each Local CAST Board, Head Teacher and staff in relation to financial administration. The Policy, which should be used in conjunction with the Academy Trust Handbook, also provides a standardised approach to all finance related tasks within the school and covers the following:

St John's Catholic Primary School, Camborne	Priory Roman Catholic Primary School, Torquay	St Mary's Catholic Primary School, Axminster
St Mary's Catholic Primary School, Bodmin	Our Lady of the Angels Catholic Primary School, Torquay	St Augustine's Catholic Primary School, Weymouth
St Mary's Catholic Primary School, Falmouth	Sacred Heart Catholic School, Paignton	St Catherine's Roman Catholic School, Bridport
St Mary's Catholic School, Penzance	St Margaret Clitherow Catholic Primary School, Brixham	St Mary's Catholic First School, Dorchester
Notre Dame RC School, Plymouth	Our Lady's Catholic Primary School, Barnstaple	St Mary's Catholic Primary School, Marnhull
St Boniface College, Plymouth	Our Lady's & St Patrick's R C Primary School, Teignmouth	St Mary's Roman Catholic Primary School, Swanage
The Cathedral School of St Mary, Plymouth	St John's Catholic Primary School, Tiverton	St Mary & St Joseph's Catholic Primary School, Wool
Holy Cross Catholic Primary School, Plymouth	St John the Baptist Roman Catholic Primary School, Dartmouth	St Joseph's Catholic Primary School, Poole
Keyham Barton Catholic Primary School, Plymouth	St Joseph's Catholic Primary School, Newton Abbot	St Mary's Catholic Primary School, Poole
St Joseph's Catholic Primary School, Plymouth	St Joseph's Catholic Primary, Exmouth	Christ The King Catholic Primary School, Bournemouth
St Paul's Roman Catholic Primary School, Plymouth	St Mary's Catholic Primary School, Buckfast	The Orchard Nursery, Bournemouth
St Peter's RC Primary School, Plymouth	St Nicholas, Exeter	

11. Summary of Responsibilities

- the management of the school is, through the Plymouth CAST Scheme of Delegated Authority, the responsibility of the Trust, which will determine the extent of the delegated powers vested in the local CAST board.
- management and administration duties undertaken by the Head Teacher and the members of the school staff shall be carried out in accordance with the terms of this document, and within the terms of their contract of employment
- the Local CAST Board may support the Head teacher in accordance with the terms of this document. Such support should be clearly minuted by the Local Governing Board.
- the Head Teacher will prepare a recommendation for expenditure by reference to the anticipated budget provision of the school, sufficiently in advance of each financial year, in order to allow due consideration.

11.1 The Role of the Local CAST Board

The role of the Local CAST Board in school financial administration is:

- to adhere to any financial policies or guidance issued by the Trust
- to maintain a register of pecuniary interests for the school and ensure that the Clerk has published them on the school website in line with statutory requirements.
- to support the SELT by completing a CAST Headteacher Appraisal feedback form and share with the SIO prior to the Headteacher's appraisal to ensure the school keeps proper records and provides information to assist the Trust to prepare the annual accounts or any other accounting matters.
- to monitor the impact of Statutory Grants on pupil outcomes and ensure that plans are displayed on school website in line with statutory reporting timescales
- to monitor the impact of SEND monies funding on identified pupils' outcomes

11.3 The Role of the Head Teacher

The day-to-day operation of the budget is delegated to the Head Teacher, who will be responsible for:

- preparing the school improvement plan and school budget in accordance with the requirements of the Trust and priorities supported by the governors and submission of these plans to the Local CAST Board for onward recommendation to the Trust Board
- ensuring the operation of effective internal control systems and internal financial transactions in accordance with the Multi Academy Trust's policies and procedures
- ensuring that financial records are effectively maintained in accordance with Academy Trust Handbook
 1. Budget Plan Entry Form Current Year + 3 future years
 2. Staff Salary Calculations Current Year + 3 future years
 3. School Management Plan Current Year + 3 future years
 4. General Allowance Allocations Current Year + 3 future years
 5. Orders, Quotes and Tenders Current Year + 6 preceding years
 6. Copy Invoices/Credit Notes Current Year + 6 preceding years

7. Copy Payment Schedules Current Year + 6 preceding years
8. Delivery Notes Current Year + 6 preceding years
9. Bank Reconciliation Records Current Year + 6 preceding years (may be held centrally)
10. Education Sales Database Statements Current Year + 2 preceding years
11. Bank Statements Current Year + 6 preceding years (may be held centrally)
12. Bank Paying In Slips Current Year + 6 preceding years
13. Travel Claims Current Year + 6 preceding years
14. Income/Lettings Receipts Current Year + 6 preceding years
15. Copy Sundry Debtor Accounts Current Year + 6 preceding years
16. Authorised signatories list – orders Current List
17. Register of Pecuniary Interests Current List
18. Inventory Records Current Year + 6 preceding years
19. Salary and Wage Returns Indefinitely
20. School registers Indefinitely

- setting limits of expenditure for members of staff authorised to place orders
- providing access to accounting and other relevant records to Audit, including school fund(s), and implementing auditor recommendations where necessary
- checking that the school inventory is maintained as accurately and up to date as possible and ensuring that an independent check of the inventory is made at least once a year
- Recommending to the governors equipment to be written off or disposed of. This must be approved by the MAT Board or delegated officer.
- Ensuring that disposal of such equipment is adequately recorded in the minutes and that the disposal of assets is conducted in an open manner and where income generated from disposal is maximised. Ensuring that stolen items are reported to the Finance & Resources Committee before formal approval to delete that item from the inventory/asset register
- ensuring that adequate procedures are in place for the prompt security marking of all items of a portable and desirable nature
- ensure that adequate controls are in place to ensure that all responsibilities delegated are monitored
- maintain a central file of all submitted applications for grant funding and counter sign and submissions for audit purposes
- Signing off the monthly salary and Pay submissions

11.4 The Role of the Finance Team/Schools' Business Manager

Subject to accordance with individual job descriptions the Head Teacher or the Chief Finance Officer may delegate financial procedures to the finance team. The finance team's roles may include:

- reviewing the monthly salary reports to enable the Head to sign off
- providing budget monitoring /outturn monthly reports for the Head Teacher and submission to the Chief Finance Officer
- submitting pay returns to payroll as appropriate
- ensuring that invoice checking procedures are followed

- ensuring that, in conjunction with the Head Teacher, authorisation of orders, invoices and schedules are in accordance with this Financial Administration & Control Policy and the Academy Trust Handbook
- prompt and intact banking of income and associated recording of income in accordance the Academy Trust Handbook
- operating the local expenditure bank account (cheque book scheme) as per the Academy Trust Handbook
- administering the recording of income received, and payments made from the school fund. Retention of all documents such as collection records and receipts to support the transactions processed through the school fund.
- Preparation of the year end summary of transactions for inspection, in accordance with the Academy Trust Handbook
- assisting in the maintenance of an accurate inventory and associated security procedures
- assisting the CAST central finance team in annual audit processes, the preparation of the three year budget plan and the financial returns

11.5 The Role of the School Finance and Administration Staff

The role of staff in school financial administration is:

- to familiarise themselves with this Policy and the operating procedures
- to conduct all financial transactions relating to the school in accordance with this Policy
- to manage any budget delegated to them by the Head Teacher responsibly, and after due consultation with relevant staff
- to actively seek 'best value' on all work, goods, materials or services procured on behalf of the school
- to ensure that all relevant documents (delivery notes, invoices etc.) are promptly passed to the administrator for processing
- to process elements of payroll as delegated to the schools

11.6 The Role of all other School Staff

The role of staff within the school, other than that of leadership and finance staff, is minimal. Only staff with relevant delegated financial authority (as per Appendix A) are permitted to approve the purchase of goods or services. Therefore, school staff such as teachers, Teaching Assistants and premises staff, are not permitted to directly order or purchase goods or services; the Trust's Financial Procedures must be followed.

12. Limits of Delegation

The following limits will be applied to the academies in the MAT and are further detailed in Appendix A.

12.1 Virements with Budget Share

The Head Teacher is authorised to vary the annual budget as delegated by the MAT Board between various budget headings. This variation shall be the result of any change in the day-to-day spending plans of the school, but still be in accordance with the aims and objectives of the school, as laid down in the School Improvement Plan. This variation, known as a 'Virement within Budget Share' shall not exceed the limits outlined in the limits of delegation in Appendix A.

13. Financial Reporting

The Head Teacher will work closely with the Schools' Business Manager or other designated staff to provide a report on the budgetary position of the school at regular intervals.

Financial reports should be reliable and relevant to users, the characteristics of good quality financial information are:

- **Produced promptly.** Financial reporting should be carried out in line with the Academy Trust Handbook
- **Accurate.** Actual expenditure appearing on the report should agree to what has been processed on the finance system. There should be a monthly reconciliation of the bank account to the finance system. Where amounts have been charged to the school and are still in dispute, these should still be included in the actual expenditure until queries have been resolved
- **Complete.** To provide a "true and fair" view of the school's financial position the reports must include committed expenditure. For information to be complete expenditure that the school has been committed to including details of orders and invoices outstanding must be included
- **Understandable.** Reports need to be understandable to the intended recipient; in particular financial reports to governors should be jargon free
- **Concise.** Reports should be summarised and not contain an unnecessary amount of detail. Expenditure and budget totals should be summarised to the headings contained in the annual ESFA funding statement and in the annual accounts
- **Include a profiled budget.** To ascertain whether the level of expenditure to a given date is reasonable, the expected expenditure up to the same date should be provided by the inclusion of a profiled budget. Based on knowledge of the school's spending patterns the profile looks at the total budget for the year and indicates what percentage of that budget it would be reasonable to have spent by the specified date
- **Include explanatory notes.** Where there are significant variances on budget headings an explanation should be provided with the report. Proposed actions to address variances should also be reported and actions agreed should be advised to the CFO. Where large orders are due to be placed, this may also require a note to the report
- **Include a projected out-turn,** which is an estimate of the final budget position of the school at the end of the financial year

14. Procurement of Goods and Services

Budget holders will be informed of the budget available to them as soon as the budget is formally ratified and approved by the Trust Board. It is the responsibility of the budget holder to manage their element of the budget and to ensure that the funds available are not overspent. Procurement processes will be made in line with this policy and the Purchasing and Procurement Policy.

15. Operation of Local Expenditure Bank Account

Local bank accounts should only be used for voluntary funds and within the limits of authority each school must implement the following controls:

- a list of cheque signatories (mandate) should be drawn up whereby all cheques must have two authorised signatories
- a minimum of three signatures should be maintained on the mandate
- the Head Teacher may sign all cheques other than those payable to themselves
- no member of staff is permitted to sign cheques payable to themselves or to someone closely connected to themselves or in whom they have a pecuniary interest

Arrangements must be made with the bank and must include:

- a statement to be provided at least once a month
- to disallow any overdraft

No direct debits or other regular payments may be entered into from any bank other than the Main Cast account.

On receipt of the bank statements, the school will reconcile the bank balance to the balance held in the finance system and return the information to the Cast Central Team in line with agreed monthly deadlines.

16. Petty Cash Accounts

Petty Cash accounts may be held by the schools. The cash is administered by the Finance Office with reimbursements made from the Finance Office on production of supporting vouchers and receipts.

The only deposits to petty cash should be from cheques cashed specifically for the purpose. The receipt should be recorded in the petty cash system with the date, amount and a reference, normally the cheque number, relating to the payment. All other cash receipts for whatever reason should be paid directly into the bank.

Personal cheques must not be encashed from petty cash funds.

Petty cash must be reconciled at least termly.

17. Security, Inventories, Stocks and Assets

The Head Teacher is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, etc. under its control

17.1 Security

Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

Safes must be kept locked and the key removed. Keys to safes and cash boxes must be carried on the person of the nominated key holder at all times. The loss of such keys should be reported to the Head Teacher immediately.

Money left on the premises shall be secured in a locked safe, where provided, or in a locked secure cabinet. The insurance limit for cash (and cheques) held in a safe is £1,000, unless a higher limit is specifically agreed with our insurers.

Losses due to theft of stocks or cash shall be promptly reported to the Police, Head Teacher and the Chief Executive Officer.

Steps must be taken by the Head Teacher to ensure there are effective back up procedures for all computer systems. All system back up system should be securely retained in a fireproof safe or held securely off-site. Recommendations for backup procedures should be regularly checked with the school IT support provider.

Arrangements should be made to ensure that only authorised staff have access to computer hardware and software used for school management. Passwords should not be disclosed or shared and should be changed regularly. Access rights of any staff leaving the school should be promptly revoked.

The Trust shall register with the Information Commissioner, and comply with all regulations relating to by the Data Protection Act 2018.

17.2 Asset Register

An asset register should also be maintained in a format agreed by the Chief Finance Officer, in which shall be recorded an adequate description of all land, buildings, moveable plant and machinery, vehicles, furniture, fittings and equipment belonging to the school, where the current valuation (for property) or the acquisition cost (for other assets) is greater than the de-minimis level of £1,000. Where practical assets themselves should be tagged.

The asset register should include the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DfE grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

The Asset Register helps:

- ensure that staff take responsibility for the safe custody of assets
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- to manage the effective utilisation of assets and to plan for their replacement
- help the external auditors to draw conclusions on the annual accounts and the school's financial system
- support insurance claims in the event of fire, theft, vandalism or other disasters

Fixed Assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset in line with Appendix G.

The depreciation will be calculated on an annual basis for preparation of the year end accounts.

17.3 Acquisitions and Disposal of Assets

The MAT must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following transactions:

- acquiring a freehold on land or buildings
- disposing of a freehold on land or buildings
- disposing of heritage assets beyond any limits set out in the Trust's funding agreement in respect of the disposal of assets generally. Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, as defined in applicable financial reporting standards

Schools cannot purchase assets from GAG or other grant income without the authorisation of the Chief Finance Officer. This ensures that purchases are made in line with the relevant strategies of the Trust.

Schools may dispose of any other fixed asset (i.e. other than land, buildings and heritage assets as described above) without the approval of the Secretary of State, but require the approval of the Chief Finance Officer and in line with the limits of delegated financial authority in Appendix A. Any disposal must maintain the principles of regularity, propriety and value for money. This may involve public sale where the assets have a residual value.

The School must seek the approval of the DfE in writing if it proposes to dispose of an asset for which a capital grant in excess of £20,000 was paid.

The MAT may agree to give assets bought for a proper purpose, but which are no longer needed for the conduct of its business, to a charity, up to a maximum value of £1,000 per single donation. The residual value of assets is determined by the greater of the written down value or market value.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the school obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the school would need to ensure licences for software programmes have been legally transferred to a new owner.

The school is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other School assets. If the sale proceeds are not reinvested, then the school must repay to the ESFA a proportion of the sale proceeds.

17.4 Loan of Equipment

Items of school property must not be removed from school premises without the authority of the Head of Department or Head Teacher. A record of the loan must be recorded and the asset booked back in when it is returned.

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the MAT's auditors.

18. Charging Policy

The MAT is committed to the general principle of free education and recognizes the valuable contribution that a wide range of activities, including school visits and residential experiences, can make towards all aspects of students' education. It also believes that all our students should have an equal opportunity to benefit from academy activities and visits (curricular and extracurricular) independent of their parent's financial means.

The MAT recognises its responsibility to ensure that the offer of activities and educational visits does not place an unnecessary burden on family finances. To this end we will try to adhere to the following guidelines:

- where possible we shall publish a list of visits (and their approximate cost) at the beginning of the school year so that parents can plan ahead
- we have established a system for parents to pay in instalments
- when an opportunity for a trip arises at short notice it will be possible to arrange to pay by instalments beyond the date of the trip
- we acknowledge that offering opportunities on a 'first pay, first served' basis discriminates against pupils from families on lower incomes and we will avoid that method of selection.

The 1996 Education Act requires all schools to have a policy on charging and remissions for school activities, which will be kept under regular review. The Trust will approve all charging policies annually.

The policy identifies activities for which:

- voluntary contributions may be requested
- charges will be made
- charges will not be made
- charges may be waived

18.1 Voluntary Contributions

Separately from the matter of charging, schools may always seek voluntary contributions in order to offer a wide variety of experiences to pupils. All requests for voluntary contributions will emphasise their voluntary nature and the fact that pupils of parents who do not make such contributions will be treated no differently from those who have.

The Law states:

- if the activity cannot be funded without voluntary contributions the Headteacher will make this clear to parents from the outset
- no child will be excluded from an activity because his or her parents are unable or unwilling to pay
- if insufficient contributions are received, the trip or activity may have to be cancelled
- if a parent is unwilling or unable to pay their child will still be given an equal chance to on the visit

18.2 Charges will be Made

The MAT reserves the right to make a charge for the following activities which may from time to time be organised by the school:

- **activities outside school hours** - the school will endeavour to provide a range of such activities from time to time. These will sometimes include day and residential experiences, and are known generally as 'optional extras'.
- Charges may be made for these activities EXCEPT where they are provided to fulfil any requirements specified in the syllabus of a prescribed public examination or are required in order to fulfil statutory duties relating to the National Curriculum or to religious education in which case they are not regarded as optional extras as such and charges cannot be made.
- **residential activities held during school hours** - charges may be made for the board and lodging element of those residential activities during school hours. Parents will be

notified in advance of any such activities which the school proposes to organise and the estimated cost. Parental consent will be obtained for their children's participation in any such activities for which a charge may be made. However pupils whose parents are in receipt of certain benefits (see remissions policy below) may not be charged for board and lodging costs

- **music tuition** - music tuition for individuals or groups of up to 4 pupils
- **home to school student transport** - costs incurred by the school in providing home to school transport for students who live outside of the school's designated catchment area

Parents will be notified in advance of any 'optional extras' which the school proposes to organise and the estimated cost. Parental consent will be obtained if their children are to participate in any activities for which a charge may be made.

Any charge for a particular activity will be dependent upon the type of activity and its cost and the number of participants. This charge will not exceed the actual cost of providing the activity, divided equally by the number of pupils willing to participate. The cost of other pupils participating in the visit will not be included in the charge. The charge may however include an appropriate element for such things as:

- the pupil's travel costs
- the pupil's board and lodging costs
- materials, books, instruments and other equipment
- non-teaching staff costs
- entrance fees to museums, castles, theatres, etc.
- insurance costs
- the expenses only of participating teachers engaged on a separate contract for services to provide the 'optional extra'

If the number of school sessions on a residential trip is equal to or greater than 50% of the number of half days spent on the trip it is deemed to have taken place during school hours (even if some activities take place late in the evening). Whatever the starting and finishing times of the school day, regulations require that the school day is divided into 2 sessions. A "half day" means any period of 12 hours ending with noon or midnight on any day.

18.3 Charges will not be made

Charges will not be made for the following:

- an admission application
- education provided during school hours (including the supply of any materials, books, instruments or other equipment)
- education provided outside school hours if it is part of the National Curriculum, or part of a syllabus for a prescribed public examination that the pupil is being prepared for at the school, or part of the school's basic curriculum for religious education
- tuition for pupils learning to play musical instruments (or singing) if the tuition is required as part of the National Curriculum, or part of a syllabus for a prescribed public examination that the pupil is being prepared for at the school, or part of religious education
- entry for a prescribed public examination, if the pupil has been prepared for it at the school

- examination re-sit(s) if the pupil is being prepared for the re-sit(s) at the school. However, if a pupil fails, without good reason, to meet any examination requirement for a syllabus a charge will be made
- education provided on any trip that takes place during school hours
- education provided on any trip that takes place outside school hours, is part of the National Curriculum, or part of a syllabus for a prescribed public examination that the pupil is being prepared for at the school, or part of the school's basic curriculum for religious education
- supply teachers to cover for those teachers who are absent from school accompanying pupils on a residential trip
- transport provided in connection with an educational trip

18.4 Remissions

In order to remove financial barriers from disadvantaged pupils, the MAT has agreed that some activities and visits where charges can legally be made will be offered at no charge or a reduced charge to parents in particular circumstances. This remissions policy sets out the circumstances in which such charges will be waived.

Families will qualify for remission or help with charges if they are in receipt of:

- Income Based Jobseekers Allowance
- Support under part VI of the Immigration and Asylum Act 1999
- Child Tax Credit, provided that Working Tax Credit is not also received and the family's income (as assessed by Her Majesty's Revenue and Customs) did not exceed £16,190 in the previous financial year
- The guarantee element of State Pension Credit
- An income related employment and support allowance
- Working Tax Credit run on – paid for four weeks after they stop qualifying for Working Tax Credit.
- Universal Credit – if they apply on or after 1 April 2018, their household income must be less

Additional categories of parents may claim help with some costs in the following circumstances:

- specific individual circumstances that have caused temporary hardship
- recently moved into hardship but not yet receiving the benefits mentioned above
- made a specific request to the Head Teacher for any other justifiable reason. The remission is at the Head Teacher's discretion in these circumstances based on any evidence provided

19. Insurance Arrangements

The Trust will take out such insurance as it sees fit and/or as it is advised, and to comply with statutory requirements. The Trust will obtain the following insurance cover as a minimum:

- Buildings and contents
- Business continuity
- Employers and Public Liability

- Professional Indemnity and Governors Liability

All risks will be reviewed annually to ensure that the cover is adequate.

All contractors must have public liability insurance before they are allowed to undertake work on the School's premises.

People hiring the School's premises and using facilities should either be covered by the School's insurance at an additional cost, or must produce a valid public liability insurance with indemnity up to £5,000,000.

20. Receiving Income

The main sources of income for the school are the grants from the ESFA. The receipt of these sums is monitored directly by the Chief Finance Officer who is responsible for ensuring that all grants due to each school are collected.

Schools also obtain income from:

- student teachers from universities and other institutions
- the Local Authority
- hiring of premises and facilities
- school meal sales
- uniform sales
- students, mainly for trips
- external peer review and support services

Charges can also be made to students to defray the costs of certain activities (see Charging Policy). Certain curriculum departments generate some income through entrepreneurial activities. Such charges should be made in accordance with the MAT's charging policy.

Premises hire charges are determined by the CFO through the policy on premises hire, unless exceptional circumstances require otherwise. In such circumstances, charges are determined at the discretion of either the Head Teacher or the Chief Executive Officer.

Bookings for lettings are made through the identified school staff such as Senior Administrator or Finance Officer.

All monies must be banked, in their entirety, in the appropriate bank account. The School Business Manager or Finance Manager is responsible for preparing reconciliations between the sums collected, the sums deposited at the bank and the sums posted to the accounting system. The reconciliations must be prepared promptly after each banking. Schools may write off debts and losses in line with the Academy Trust Handbook and after approval of the Chief Finance Officer.

21. Miscellaneous Issues

21.1 Register of Pecuniary (or Business) Interests

The Trust and the Local CAST Board shall maintain a 'Register of Pecuniary Interests' that lists the personal interests, financial or otherwise, that could be deemed a potential conflict of interest for any Trustee, Governor, Head Teacher or any other member of staff who has a financial responsibility such as being a budget holder or having capacity to influence expenditure. All Governors and members of staff shall declare in writing if they have a pecuniary interest in a personal capacity in any contract with the school.

The Head Teacher shall keep the Register up to date as new Governors or staff join the school and must undertake an annual review. A Pecuniary Interest form should contain the following information:

- the name of the relevant member of staff
- the company or organisation the member of staff has an interest in
- what the interest is

Those Governors or staff not holding any pecuniary interests must submit a nil return.

Any relevant business and pecuniary interests, **especially connected parties**, of Trustees, Governors and members must be published on the academy website.

21.2 Gifts

All gifts to the school either in kind or in money should be recorded. Incidental gifts of low monetary value (less than £20) made to teachers by pupils or their carers do not require recording. Gifts must not include alcohol.

21.3 Expenses paid to Governors and Trustees

Expenses may be paid to Governors and Trustees in accordance with DfE guidance. Governors and Trustees cannot be paid for their contribution to the Trust and its work. Governors and Trustees expenses are detailed in the Trust Expenses Policy and are consistent with staff expenses arrangements.

21.4 Audit

The Trust and Schools will be subject to a regular internal audit and be part of the external audit of the statutory accounts.

Appendix A

Limits of Delegated Financial Authority	Primary School		Secondary School		CAST Support - including school based expenditure					
	Head teacher	School Business Manager	Finance Manager	Head Teacher	Finance Manager	Director of Education/COO	CFO	CEO*	Chair of Trustees	Finance Committee
Spending on any one order	£5,000	£2,500	£2,500	£10,000	£2,000	£25,000	£50,000	£75,000	£100,000	> £100,000
Approval of any one invoice	£5,000	£2,500	£2,500	£10,000	£5,000	£25,000	£50,000	£75,000	£100,000	> £100,000
Virement from one budget to another	£2,500	£0	£0	£5,000	£0	£0	£15,000	within the delegated budget	N/A	N/A
Business charge card limit per transaction	£1,000	£1,000	£1,000	£1,000	£5,000	£1,000	£2,500	£5,000	N/A	N/A
Business charge card limit pre rolling balance	£2,000	£2,000	£2,000	£5,000	£10,000	£3,000	£10,000	£10,000	N/A	N/A
Recruitment of new or replacement permanent staff and changes to substantive posts	N/A	N/A	N/A	N/A	N/A	N/A	within the Trust delegated budget		N/A	outside of agreed original budget
Removal of item from inventory/asset disposal	£100	N/A	£100	N/A	£2,000	£5,000	£10,000	£25,000	£50,000	over £50,000

*The CEO may delegate responsibility for financial authorities to a senior manager in writing during periods of absence and may allocate charge cards to senior managers

NOTES

All staffing requests must be approved by the CFO or CEO unless delegated to the School Business Manager or Trust Finance Manager in writing.

Expenditure in excess of the agreed budget by an individual school or cost centre, but within the delegated Trust budget must be approved by the CFO in advance.

Expenditure that would exceed the Trust approved budget must be authorised in advance by the Trust Board.

Evidence of best value for individual goods and services between £1,200 and £6,000, a minimum of 2 quotes for goods or services with a value between £6,001 and £30,000 and three formal Quotes for goods or services over £30,001 and up to £99,999 is required (a proxy quote can be used as the third formal quote where it can be demonstrated all practical steps have been taken And supplier shortage is significantly delaying progress).

If goods or services are above £99,999 a central procurement activity is required, e.g. a formal Request For Quote (RFQ). This would require formal approval from the F&R Committee.

A full tender process must be undertaken for procurement over £214,904, in accordance with the Public Contract Regulations 2015 Spend Thresholds and ratified by the F&R Committee.

For further information, please refer to the Purchasing & Procurement Policy.

Appendix B

Fraud Policy and Procedures

Introduction

The MAT aims to be an honest and ethical institution. As such, it is opposed to fraud and seeks to eliminate fraud by the way it conducts business. This document sets out the MAT's policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, the MAT's objectives are, firstly, to create a culture which deters fraudulent activity, encourages its prevention and promotes its detection and reporting and, secondly, to identify and document its response to cases of fraud and corrupt practices.

In order to achieve these objectives, the MAT has taken the following steps:

1. The development and publication of a formal statement of its expectations on standards of personal conduct, propriety and accountability
2. The establishment of adequate and effective systems of internal financial and management control (and a clear requirement to comply with them), and an independent Responsible Officer function with an ongoing responsibility to review and report on these systems;
3. The development and publication of a formal statement of the procedures to be followed by employees who have a suspicion of, or concern about, possible or actual malpractice within the Academy and a fraud response plan which sets out the Academy's policies and procedures to be invoked following the reporting of possible fraud or the discovery of actual fraud.

These three steps are described in greater detail in the following sections.

Personal Conduct

The MAT aims to promote an organisational culture which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct. To help ensure that all employees are fully aware of the MAT's expectations regarding standards of personal conduct, appropriate guidance is provided by the following key statements:

- these regulations are binding on all trustees, governors, members of staff, students and constituent parts of the MAT. Refusal to observe them will be grounds for disciplinary action
- in disbursing and accounting for all funds, the MAT must demonstrate that it is adopting high standards of financial probity. Implicit within this regime is the requirement that governors and employees of the MAT must at all times conduct financial affairs in an ethical manner
- all members of staff, members, Directors and governors of the MAT are responsible for disclosing any personal, financial or beneficial interest in any transaction with respect to the Academy or its related companies, minority interest companies and trading areas
- any person who is responsible for placing an order with a supplier (whether a contractor or not) with whom he has a personal interest must disclose this to the Head Teacher or the Chief Finance Officer

- Trustees, governors or employees of the MAT shall never use their office or employment for personal gain and must at all times act in good faith with regard to the Academy's interests
- heads of Department/Budget Holders are expected to adhere to the Financial Regulations at all times and to use their best efforts to prevent misuse or misappropriation of funds and other MAT property

Systems of Internal Control

The next line of defence against fraud is the establishment of operational systems which incorporate adequate and effective internal controls designed to minimise the incidence of fraud, limit its impact and ensure its prompt detection. These controls include high level management controls such as budgetary control (designed to identify fraud which results in shortfalls in income or overspendings against expenditure) and organisational controls such as separation of duties, internal check and staff supervision. Personnel policies are also a key part of setting the culture and deterring fraud. This includes seeking to reduce the risk of employing dishonest staff by checking information supplied by employees and references obtained during the course of the recruitment process, DBS checks.

The Financial Procedures are issued and updated periodically by the Chief Finance Officer. They are binding on all trustees, governors, members of staff, students and constituent parts of the MAT and are distributed to the Head Teacher, the Senior Leadership Team, Heads of Department and staff in the academies finance offices.

The MAT has also established an Audit Committee and an independent Responsible Officer function which provides advice to management in respect of control matters and which conducts a cyclical programme of reviews of the adequacy and effectiveness of the systems which have been put in place (including those intended to minimise the potential exposure to fraud and corruption).

Fraud Response

This document sets out the MAT's policies and procedures for ensuring that all allegations and reports of fraud or dishonesty are properly followed-up are considered in a consistent and fair manner and that prompt and effective action is taken to:

- minimise the risk of any subsequent losses
- reduce any adverse operational effects
- improve the likelihood and scale of recoveries
- demonstrate that the Academy retains control of its affairs in a crisis; and
- makes a clear statement to employees and others that it is not a soft target for attempted fraud

The plan includes both statements of general policy and specific steps to be taken when circumstances dictate and is necessary in order to reduce the following risks:

- inadequate communication so that action is late or inappropriate
- lack of leadership and control so that investigators are not properly directed and waste time and effort
- failure to react fast enough so that further losses are incurred or the evidence required for successful recovery or prosecution is lost
- adverse publicity which could affect confidence in the MAT; and
- creation of an environment which, because it is perceived as being ill-prepared, increases the risk of fraud

The main elements of the MAT's policy are in line with the Whistleblowing Policy and are outlined below:

1. All governors, members of staff, students and constituent parts of the MAT are required to notify immediately the Head Teacher and/or the Chief Finance Officer of any financial irregularity, or any circumstance suggesting the possibility of irregularity, affecting the financial procedures, cash, stores or other property of the MAT. The Head Teacher and/or Chief Finance Officer should bring this to the attention of the Chief Executive Officer immediately
2. The Head Teacher/Chief Finance Officer will ascertain whether or not the suspicions aroused have substance. They will if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required. The findings, conclusions and any recommendations arising from the preliminary investigation will be reported to the Chair of Finance Committee and the Chair of Governors. The Chair of the Audit & Risk Committee will be advised of any issues and will be provided formal assurance that any risks have been negated.
3. The Head Teacher will have the initial responsibility for coordinating the individual Academy's response. In doing this they will consult with the Academy's Human Resources Advisor regarding potential employment issues. The Head Teacher will also seek expert legal advice from the Academy's Legal Advisor on both employment and litigation issues before taking any further action
4. The Head Teacher is required to notify the Chief Executive Officer and Local CAST Board of any serious financial irregularity. This action will be taken at the first opportunity following the completion of the initial investigations and will involve, inter alia, keeping the Responsible Officer, the Chief Executive Officer, the Chair of Finance Committee and the Chair of Governors fully informed between committee meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns
5. If evidence of a fraud is forthcoming then the Trust Board will inform the DfE as required by the Funding Agreement and will consider whether or not to refer the matter to the Police.
6. If evidence suggests there may be irregularities carried out by a Headteacher within a school, any investigation work will be carried out by the Trust Finance Manager and Chief Finance Officer. Findings from the investigation will be passed to the Trust's HR Manager for further investigation.
7. The Trust's internal auditors will be notified of any suspected financial misconduct or fraud, and will be requested to carry out any investigation if deemed inappropriate by the Chief Finance Officer for internal investigations to take place.
8. Any investigations involving a Headteacher will be formally reported to both the Chief Executive Officer and Director of Education. The Chair of Audit & Risk Committee will also be advised and given formal assurances that any risks as a consequence of investigations will be dealt with to minimise any impact.
9. If any financial irregularities are suspected to have been carried out by a member of the Senior Executive Leadership Team (SELT), an external investigation must be carried out, usually by the Trust's internal auditors.

Appendix C

Best Value Statement for Local CAST Boards

Introduction

The local CAST board supports the school to ensure that the school's resources are allocated to meet the objectives set out in the school's development plans. The Trust needs to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services.

What is Best Value:

The Trust will apply the four principals of best value:

- **Challenge:** Why, how and by whom a service is provided
- **Compare:** School performance against available data.
- **Consult:** With service users, the local community etc.
- **Competition:** Wherever practicable, to secure efficient and effective services

The Trust Approach

The Directors, Senior Executive Leadership Team and school managers will apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the school
- the targeting of resources to best improve standards and the quality of provision
- the use of resources to best support the various educational needs of all pupils

The Directors, Senior Leadership Team and school managers will:

- make comparisons with other/similar schools using available data, e.g. quality of teaching and learning, levels of expenditure
- challenge proposals, examining them for effectiveness, efficiency, and cost
- require suppliers to compete on grounds of cost and quality/suitability of services/products
- consult individuals and organisations on quality/suitability of service we provide to parents pupils, and services we receive from providers

This will apply in particular to:

- **staffing** - school managers will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management
- **use of premises** - school managers will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services, and for communal access to central resources
- **use of resources** - school managers will deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality learning

- **quality of teaching** - school managers will review the quality of curriculum provision and quality of teaching, to provide parents and pupils with a curriculum which meets the requirements of the National Curriculum, National Literacy Strategy and National Numeracy Strategy, and the needs of the pupils and teaching which builds on previous learning and has expectations of children's achievement
- **quality of learning** - school managers will review the quality of children's learning by setting of pupil achievement targets
- **purchasing** - school managers will develop procedures for assessing need, and obtaining goods and services which provide best value in terms of suitability, efficiency, time and cost
- **pupil's welfare** - school managers will review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation
- **health and safety** - school managers will review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors

These areas will be monitored for best value by:

1. Reviews by the Head Teacher & Senior Leadership Team
2. Termly target setting meetings between Head Teacher, Senior Leadership Team and head of departments (where they are in place)
3. Annual performance management
4. Annual budget planning
5. Head Teacher's reports including financial review
6. Feedback from responsible officer and audit report
7. Analysis of school pupil performance data
8. Analysis of LA/DfE financial data
9. Analysis of DfE pupil performance data
10. Key issues for action identified by OFSTED
11. Governor's termly committee meetings
12. Annual staff salary review

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable issues.

Appendix D

Financial Reserves Policy

Introduction

The MAT Board will treat reserves as central to the Trust in order to prioritise investment across all schools. Levels of reserves which are too high tie up money which should be spent on current school activities. Levels of reserves which are too low may put the future activities of the Trust at risk.

The reserves policy:

- assists in strategic planning by considering how new projects or activities will be funded
- informs the budget process by considering whether reserves need to be used during the financial year or built up for future projects
- informs the budget and risk management process by identifying any uncertainty in future income streams

During the financial year

The Directors (Trustees) identify:

- when reserves are drawn on, so that they understand the reasons for this and can consider what corrective action, if any, needs to be taken
- when reserve levels rise significantly above target so that they understand the reasons and can consider the corrective action, if any that needs to be taken
- where the reserves level is below target and consider whether this is due to short-term circumstance or longer-term reasons which might trigger a broader review of finances and reserves

The financial risks identified determine the amount of reserves the MAT targets to hold.

In-year reports to the MAT Directors

In-year reports:

- compare the amount of reserves held with the target amount or target range set for reserves
- explain any shortfall or excess in reserves against target set
- explain any action being taken or planned to bring reserves into line with target

Annual financial statements

The reserves statement in the MAT report will include the following information:

- why reserves are held
- what amount/range of reserves is considered appropriate for the academy Trust
- what the level of reserves is at the year end
- how the academy Trust is going to achieve the desired level or range of reserves
- how often the reserves policy is reviewed

Target range of reserves for the financial year

The level of reserve will be reviewed and set on an annual basis as part of the budget setting plan. However, the minimum level of reserves to be held by the end of any financial year will be the equivalent of 1 month of Trust-wide expenditure.

Monitoring, review and evaluation of the policy

This policy will be monitored regularly for any changes in legislation or directions from the DFE which may have an effect and evaluated in the light of any comments made by the DFE, ESFA, auditors and any other interested parties.

The Chief Finance Officer, the Chief Executive and Directors will carry out a review of this policy on a regular basis to ensure that any new or changed legislation is adhered to.

Appendix E

Fixed Asset Policy

Introduction

The purpose of this policy is:

- to provide guidance when dealing with capital expenditure and the purchase and disposal of fixed assets (as defined below); and
- to provide guidance on other aspects of fixed asset accounting such as depreciation and revaluation

Definitions

Accumulated Depreciation

The total accumulated amount charged to the income and expenditure account to reflect the use of the asset by the business, over its useful economic life. The value of the fixed asset on the balance sheet will be reduced over the useful life of the asset.

Capitalisation

The addition to the balance sheet of an amount in respect of an asset which has come into the possession of the School, whether through purchase or donation or gift in kind.

Carrying amount/net book value

The purchase cost (or valuation) of a fixed asset less the accumulated depreciation on that fixed asset.

Depreciation

The charge made to the income and expenditure account each month to reflect the use of the asset by the business during the period.

Fixed Assets

A fixed asset is an asset that has a useful life greater than one year. This includes land, buildings, office furniture and equipment (e.g. air conditioning, heating systems), vehicles, IT equipment and other classroom equipment. These are included in the School balance sheet. Consumables which are used on a daily basis are not fixed assets.

Fixed Asset Register

An inventory of all fixed assets which must include date purchased the depreciation rate, net book values and the depreciation.

Grant

Funds given to the School by a third party, subject to complying with any terms and conditions attached to the grant, to purchase unspecified fixed assets.

Recoverable Amount

The cash proceeds when an asset is disposed.

Categories of Fixed Assets

This list describes the categories of fixed assets most commonly used by Schools. It is not exhaustive and other categories may be added but only with the approval of the Chief Finance Officer.

Freehold and Long Leasehold Buildings

The cost of acquiring freehold and long leasehold land and buildings. It includes all external costs incurred as part of the acquisition such as legal and professional fees as well as other costs such as building costs which are necessary in order to bring the asset into use.

The MAT must seek and obtain prior written approval from the Secretary of State, via the ESFA when acquiring a freehold on land or buildings.

Fixtures and Fittings

Items such as shelving, fixed or free standing, soft furnishings and general furniture such as chairs, desks which will last a number of years but not as long as the building in which they reside.

Plant and Equipment

Items such as air conditioning, lifts, heating system, diesel generators and classroom equipment which will be used for several years.

Computer Equipment and Software

Cost of the computer hardware used throughout the School along with 'significant' software.

Criteria for Capitalisation of Assets

Expenditure Eligible for Capitalisation

Authorised and approved expenditure for an item which meets the definition of a fixed asset, and exceeds £1,000, should be identified and flagged as a fixed asset. The asset should be recognised on the relevant balance sheet.

The cost of the fixed asset should include the cost of the asset and any other costs directly attributable in bringing the asset into a condition where employees can use it. Such costs include, but should not be limited to:

- costs of enhancements (not repairs and renewals), which significantly extend the life of the asset and would not be carried out on a regular basis (e.g. building improvements)
- costs of external consultants whose work is directly attributable to the implementation of the asset

Expenditure Not Eligible for Capitalisation

- individual items costing less than £1,000, unless purchased in bulk as part of a capital project
- costs of staff training as part of normal business activities
- administration and general overheads for running day to day activities
- planning costs relating to initial activities such as option appraisals, feasibility studies, identifying appropriate hardware and applications and selecting suppliers and consultants
- cost of abortive work
- post implementation support and maintenance costs related to software installation

Accounting Treatment (valuation in balance sheet)

Only costs eligible for capitalisation should be entered into the accounts.

Costs must be allocated against individual fixed assets.

The cost of the asset includes the purchase price (including import duties and non-refundable taxes) and any other direct attributable costs of bringing the asset to working condition. Discounts received should be deducted from the total cost.

Expenditure on enhancing a fixed asset already recognised on the balance sheet should be added to the carrying amount where the expenditure meets the definition above.

Fixed assets purchased with grant money must be clearly identified in the fixed asset register.

Revaluation of Fixed Assets

Freehold and long leasehold land and buildings will be revalued by independent valuers every five years.

Gains on revaluation of fixed assets must be credited to the relevant reserve as follows:

- land and building revaluations should be transferred to a designated revaluation reserve
- losses on revaluation must be debited to the relevant reserve (revaluation, fixed assets revaluation reserve) to the extent that gains have previously been recognised and recorded

Depreciation

Depreciation is charged against fixed assets over the expected useful life of the asset to reflect the usage of the asset over time.

The MAT uses the straight line method of depreciation where the asset cost is written down in equal annual amounts over its expected useful life.

The period over which the asset is depreciated varies according to the category of the asset.

All tangible fixed assets, other than assets in progress must be depreciated as follows:

- Leasehold land: 0.8% straight line
- Leasehold buildings: 2% - 4% straight line
- Fixtures & Fittings: 20% straight line
- Computer equipment & software: 33.3% straight line
- Motor vehicles: 25% reducing balance

Depreciation will be charged from the month in which a newly purchased asset comes into use.

Depreciation ceases to be charged in the month the asset is disposed.

Disposal of Fixed Assets

When a fixed asset is sold or otherwise disposed, a profit or loss may arise. This is the difference between the total sale proceeds, less the cost of disposing of the asset, and the net carrying amount of the asset.

The profit or loss arising on disposal should be recognised as follows:

- profits on disposal of fixed assets must be included in the income and expenditure account under 'profit or loss on sale of assets'
- losses on disposal of fixed assets must be treated as additional depreciation and included in the relevant account within the income and expenditure account

Any asset that is lost or destroyed, and subsequently replaced through insurance proceeds should be removed from the balance sheet. The profit or loss arising (the difference between carrying amount and insurance proceeds) must be recognised in the income and expenditure account under profit and loss on sale of fixed assets. The replacement asset is capitalised at cost in the normal way.

The MAT must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following transactions:

- disposing of a freehold on land or buildings; and
- disposing of heritage assets beyond any limits set out in the Trust's funding agreement in respect of the disposal of assets generally. Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, as defined in applicable financial reporting standards.

Custodial Review

The fixed asset register must be formally checked to the assets held at least once a year by the school and verified by the Chief Finance Officer or designated officer.

Appendix F

Plymouth CAST Investment Policy

Introduction

The MAT board delegates the investment of managing and implementing the investment policy to the Finance and Resources Committee, to ensure investments are managed in accordance with this policy and monitor regularly how the MAT's investments are performing.

The Finance and Resources Committee through the Investment Policy:

- Sets investment objectives and the parameters that deposit counterparties need to meet
- Considers the level of liquid cash required to be held either overnight or within current accounts
- Approves the type of products that the MAT can invest in and seek external guidance if required
- Defines processes to manage and make investment decisions
- Defines the mechanism to monitor and review investments on a regular basis

Investment Objectives

- A minimum reserves cash value will be set by the Finance and Resources Committee and will be held as an instant access cash deposit. This level will be confirmed in-line with annual consideration of the reserves policy.
- To identify a level of funds that can be placed on deposit to generate additional interest income for the MAT in order to support its on-going charitable objectives.
- Any investment decisions must be supported by a cashflow forecast that reduces the risk of the MAT not having the liquidity required to carry out its day-to-day activities.

Level of Investment

- The MAT should ensure that a sufficient balance must be held across accounts with instant access so that the MAT's financial commitments can be met without the risk of the current account going overdrawn.
- It should also allow enough flexibility to deal with reasonable, one-off events should they occur.
- The MAT's cash flow forecasts will dictate how much is available for investment and for how long.
- The cashflow forecasts should be reviewed monthly as part of the management accounts cycle and on maturity of fixed term deposits.

Product Types

- The MAT can invest surplus funds in a mixture of interest-bearing accounts and money market facilities (where the capital is not placed at risk) including:
 - Overnight (instant access)
 - Notice accounts (typically from 30-days to 100+ days)
 - Fixed term deposits (typically from 1-month to 12-months)
 - Investments will not exceed 12-months in term.

Counterparty limits will apply confirming the risk parameters acceptable to the MAT. The MAT is expected to spread risk appropriately, ensuring a sound portfolio using only Banks and Building Societies with a UK banking licence and regulated by the FCA.

For any single institution that has a credit rating or implied credit rating deemed as speculative (at the time of deposit) i.e. below:

Baa3 / P-3 (Moody's) or

BBB- / A-3 (S&P) or

BBB- / F3 (Fitch)

The MAT will deposit no more than £85,000 (plus interest accrued).

For Institutions with a “good” or better credit rating (also known as Investment grade), the MAT will deposit a maximum of £2,000,000 (plus interest accrued) These ratings include:

Baa3 / P-3 or better (Moody's) or

BBB- / A-3 or better (S&P) or

BBB- / F3 or better (Fitch) or

An implied rating of BBB- or better

Investment Decisions

The Chief Finance Officer is responsible for producing reliable cash flow forecasts as a basis for decision making. The Chief Finance Officer is responsible for making investment decisions that comply with this Policy.

The opening or closing of bank accounts should be authorised in line with the current Financial Regulations Manual. Any investments will be made using a two-stage authorisation process. The following persons are delegated to authorise investments: Chief Executive Officer (also Accounting Officer), Chief Finance Officer, Chief Operating Officer and Finance Manager.

Review Process

The Chief Finance Officer will report investments held and the performance of investments against objectives to the Finance and Resources Committee for review each time it meets or when requested to do so. The reporting should include:

- Funds invested
- Maturity dates
- Interest rates
- Current market rates
- Blended returns achieved against expected performance and policy benchmarks
- Latest cash flows showing 12-month liquidity requirements
- Recommendations for the next **3 months**.

The investment strategy will be reviewed annually in conjunction with the financial reserves policy.