



Cheshire Academies Trust
Collaboration and Creativity

A large, faint background graphic consisting of numerous interlocking gears of various sizes and colors (grey, blue, yellow, green, pink) scattered across the page.

CAT FINANCE HANDBOOK 2020

Updated to reflect the Academies Financial
Handbook 2020

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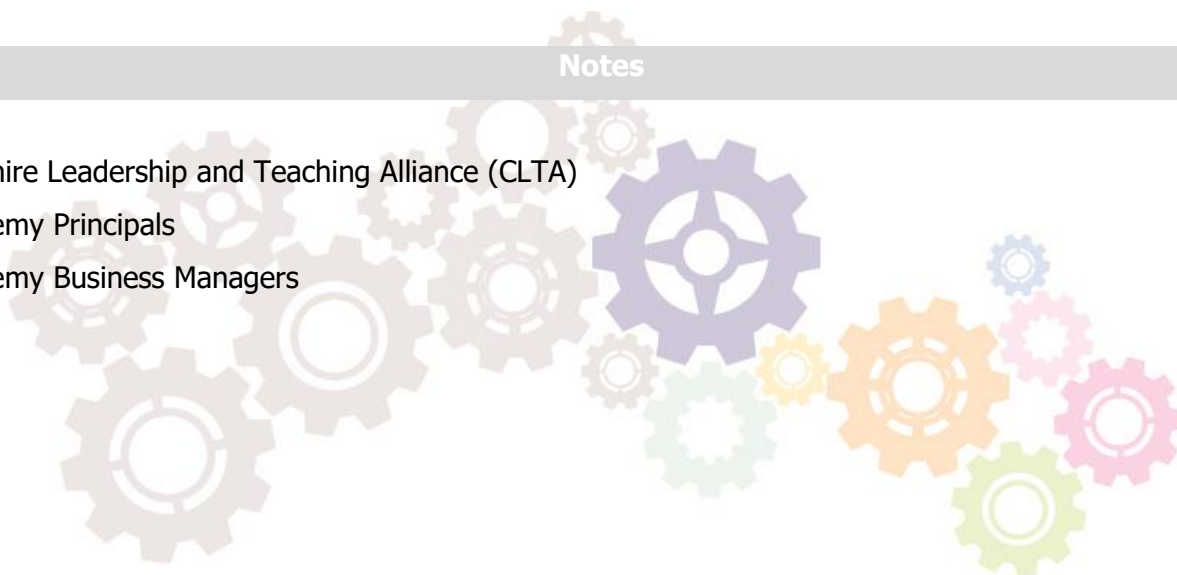
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SECTION ONE

Financial Responsibilities of the Trust and Trustees

INTRODUCTION

This handbook outlines the respective financial responsibilities of Cheshire Academies Trust (CAT) Board of Trustees, Academy Local Governing Bodies (LGB's) and CAT employees. The handbook also provides a standardised approach to all finance related tasks within the Trust and its academies.

Please note this handbook should be used in conjunction with the Academies Financial Handbook (AFH) 2020.

1.1 ROLE OF MEMBERS AND TRUSTEES

CAT has '**Members**' who are guardians of the constitution. They are able to change the Articles if necessary, are responsible for ensuring the charitable object is fulfilled, have a strategic role in running the Academies and have control over the land and assets. The Members appoint and can remove Trustees. They are also responsible for appointing the Trust's Auditors and accepting the accounts at the Annual General Meeting. Members should ensure they remain informed about Trust business and must not be employees or occupy unpaid staff roles.

The '**Trustees**', known collectively as '**The Board**', are company directors registered with Companies House. They are personally responsible for the actions of CAT and are accountable to the Members, the

Secretary of State for Education and to the wider community for the quality of the education received by all pupils of the Academies and for the expenditure of public money. The Trustees are required to have systems in place through which they can assure themselves of the quality, safety and good practice of the affairs of CAT. Trustees have a responsibility to maintain the Trust as a going concern. According to the AFH the Trustees have three core functions:

- 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 management of staff
- overseeing and ensuring effective financial performance

The AFH requires trustees to appoint a clerk to the Board and ensure their register of interests remains up to date.

The main responsibilities of CAT are prescribed in the Funding Agreement with the DfE. The key financial responsibilities include:

- ensuring that the General Annual Grant (GAG) from the ESFA is used only for the purposes intended;
- to receive and consider monthly management accounts and to consider information about financial performance at least six times per year;
- approval of a balanced annual budget;
- production and publication of an Annual Report and Accounts;
- to receive and consider 'Dear Accounting Officer' letters from the ESFA
- appointment of the auditors;

- ensuring regularity, propriety and value for money in relation to the management of public funds.

The Members and Trustees have certain obligations to protect the assets, property and good name of CAT. They, along with CAT LGB's are expected to follow the 'Seven Principles of Public Life' (also known as the Nolan Principles) which are detailed in Appendix K. On behalf of the Trust, the Chair should receive monthly management accounts which are shared with the Board six times per year.

CAT has defined the responsibilities of key committees and staff involved in the administration of CAT and Academy finances to provide a framework of accountability for LGB's and staff. The Committees that have responsibilities relating to the Academy finances are as follows:

- CAT Board of Trustees
- CAT Resources Committee (Finance, HR, Audit and Risk)
- Full LGB
- All LGB sub-committee with financial responsibilities (referred to as Finance Committee (FC) in this handbook)

The main responsibilities of these committees are set out in CAT's Scheme of Delegation.

The following sections summarise the responsibilities of individuals with key roles in the administration and accountability of CAT finances.

1.2 ROLE OF THE ACCOUNTING OFFICER (AO)

Steve Ellis, CAT Chief Executive Officer and Principal at Boughton Heath Academy has been appointed

as CAT's Accounting Officer. Steve was appointed as the AO for CAT in January 2020. This role does not rotate.

The AO has overall responsibility for CAT's financial activities and must be an employee of the Trust. The Funding Agreement requires the Trust to identify an AO who is personally responsible to the Trustees for:

- ensuring regularity and propriety;
- prudent and economical administration;
- avoidance of waste and extravagance;
- efficient and effective use of available resources

The essence of the role is a personal responsibility for:

Regularity - dealing with all items of income and expenditure in accordance with legislation, the terms of the CAT's funding agreement and this handbook, and compliance with internal procedures. This includes spending public money for the purposes intended by Parliament;

Propriety – the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary, control. This covers standards of conduct, behaviour and corporate governance;

Value for money – this is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in CAT's charge, the avoidance of waste and extravagance, and prudent and economical administration. A key objective is to achieve value

for money not only for CAT and its academies but for taxpayers more generally.

As part of the Trustees End of Year Report, CAT's AO is required to complete and sign a short statement explaining how CAT has secured value for money. This must be sent to the ESFA before 31 December and be published on the CAT website before 31 January. It will also be published on the DfE's website.

In practice, much of the financial responsibility is delegated to CAT's Director of Operations who also acts as the Chief Financial Officer (CFO). Luci Jones was appointed as Director of Operations for CAT in November 2014. Trusts are required to formally appoint an appropriately qualified CFO who must be an employee of the Trust and should maintain appropriate professional development.

Principals in individual academies have devolved responsibility for:

- authorising orders, contracts and releasing payments in conjunction with the Director of Operations or other authorised signatory in accordance with the agreed Scheme of Delegated Financial Authority (Appendix 1);
- preparing budget plans in conjunction with the Director of Operations;
- implementing expenditure in line with the Academy budget;
- seeking LGB approval for purchase orders or contracts in excess of delegated thresholds

1.3 ROLE OF THE CHIEF FINANCIAL OFFICER (CFO)

The role of Director of Operations fulfils the role of CFO for CAT. They work in close collaboration with the AO through whom he or she is responsible to the Trustees. The main responsibilities of the Director

of Operations are:

- the day to day management of financial issues including the establishment, maintenance and operation of a suitable accounting system for CAT, central budgets and individual academies;
- the management of the central and academies financial position at a strategic and operational level within the framework for financial control determined by the Trustees;
- preparation of budget plans in conjunction with Academy Principals;
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust;
- the preparation of monthly management accounts;
- authorising orders, contracts and releasing payments in conjunction with the Academy Principals or other authorised signatory in accordance with the agreed Scheme of Delegated Financial Authority (Appendix D); and
- ensuring forms and returns are sent to the ESFA in line with any timetabled DfE/ESFA guidance.

2.1 DELEGATED AUTHORITY TO CAT FROM THE DfE

The delegated authority over different categories of financial transactions is set out below from the DfE:

Liabilities and write-offs

The CAT Board may perform the following financial transactions up to the limits set out below:

- writing off debts and losses (including any uncollected fines); entering into guarantees, indemnities or letters of comfort (excluding those relating to borrowing by CAT). The limits are:
 - 1% of total annual income or £45,000 (whichever is smaller) per single transaction.
 - cumulatively, 2.5% of total annual income in any one financial year per category of transaction for any Trust that have not submitted timely, unqualified financial returns for the previous two financial years. This category includes new academies that have not had the opportunity to produce two years of financial statements.
 - cumulatively, 5% of total annual income in any one financial year per category of transaction for any Trust that have submitted timely, unqualified financial returns for the previous two financial years.

Beyond these limits the CAT Board must seek and obtain explicit and prior approval of the Secretary of State (through the ESFA) to the transaction.

Severance Payments

If CAT is considering making a staff severance payment above the contractual entitlement, it must consider the following issues:

- whether such a payment is justified, based on a legal assessment of the chances of CAT successfully defending the case at tribunal. If the legal assessment suggests a better than even chance of winning, there is no rationale for settling the case. But where the case will be lost, there is a justifiable rationale for the settlement
- if the settlement is justified, CAT would then need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an Employment Tribunal) is likely to award in the circumstances.

Special severance payments should not be made where they could be seen as a reward for failure, such as dismissal for gross misconduct or poor performance. The only acceptable rationale in the former case would be where the claimant will win an Employment Tribunal claim because of employment law procedural errors. In the latter, an acceptable comparison would be the time and cost of taking someone through performance management and improvement procedures.

If CAT is considering making a compensation payment it must consider whether the proposed payment is based on a careful appraisal of the facts, including legal advice and that value for money will be achieved. It is also good practice to consider routinely whether particular cases reveal concerns about the soundness of the control systems; and whether they have been respected as expected. It is also important to take any necessary steps to put failings right.

Where CAT is considering making a special staff severance payment or compensation payment above the contractual entitlement of £50,000 or more, prior approval will need to be sought from HM Treasury, via the ESFA, before any such payment can be made. MATs in this situation should speak to their ESFA contact at

the earliest opportunity to discuss.

For the avoidance of doubt, the following examples illustrate where Her Majesty's Treasury (HMT) approval would be required:

- statutory/contractual payment of £40k + enhancement of £20k = HMT approval not required;
- statutory/contractual payment of £60k + enhancement of £20k = HMT approval not required; and
- statutory/contractual payment of £60k + enhancement of £50k = HMT approval required for the £50k enhancement only.



Asset sales, leases and tenancy agreements

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

- taking up a finance lease on any class of asset for any duration from another party, as this would represent borrowing;
- taking up a leasehold or tenancy agreement on land or buildings from another party for a lease term of more than five years; and
- granting a leasehold or tenancy agreement on land.

CAT may **take out and grant other types of lease (i.e. other than finance leases, leaseholds and tenancy agreements as described above)**, without the Secretary of State's approval. For the avoidance of doubt this means that operating leases on assets that are not land and buildings do not require the Secretary of State's approval.

2.2 TRUSTEES 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, Trustees, Governors and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom CAT or its' academies may purchase goods or services. The registers are published on the CAT and individual Academy websites.

The register should include all business interests such as directorships, share holdings 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 Trustee, Governor or a member of staff, by that person.

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

CAT registers of business interests are held and maintained by the Clerk to the Board.

2.3 PROCESS FOR CHECKING INTERNAL CONTROLS

The Board Resources Committee fulfils the role of Audit committee for CAT, through whom the Director of Operations is responsible for ensuring a process for independent checking of financial controls, systems, transactions and risks takes place. Internal scrutiny should cover both financial and non-financial controls. Annually, the Resources Committee will review the risks to internal control at CAT and agree 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.

Whether or not this programme will be managed through the work of an internal arrangement (e.g. appropriately qualified governor or 'friend' of the academy/Trust) or external audit service is decided annually by the Resources Committee. If an external service is appointed it should not be the same auditor that oversees the end of year audit programme. Should the annual management audit letter indicate any area of high risk, this would automatically result in an interim external audit, mid-year. If there are no areas of 'high' risk in the annual management letter the Resources Committee will decide if an internal or external programme of work will take place, taking into account the outcome of the annual management letter, advice from the CEO and CFO, information contained in the monthly management accounts and any representations from LGB's. The Board must provide details of the internal audit programme and the outcomes as part of the year end reporting process.

The Director of Operations is responsible for implementing any recommendations as a result of the report. If the LGB/CAT Resources Committee has ongoing concerns following this system of checks they may also

implement:

- the performance of a supplementary programme of work by the Trusts external auditors; or
- complete further work/investigation by peer review

2.4 INVESTIGATION OF FRAUD AND IRREGULARITY

The personal 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 CAT Board are also responsible for preventing such losses of public funds, and this means that Trustees 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. CAT is also responsible for ensuring appropriate action is taken where fraud and irregularity is suspected or identified. The Fraud Policy in Appendix 3 outlines the procedures to be adopted in such an event.

All instances of fraud or theft above £5,000, committed against CAT, whether by Trustees, employees, governors or third parties, must be reported by CAT 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 Trust either as the result of a formal notification from the Trust itself or as the result of other information received.

2.5 APPOINTMENT OF EXTERNAL AUDITORS

The Trust is required to submit the accounts for an annual audit. This means that external auditors need to be appointed. The appointment can be up to a three-year period renewable at the discretion of CAT. There should be individual engagement letters for each service provided by the external auditor, e.g. year end audit, teachers' pension audit etc.

Howard Worth were appointed as auditors to CAT for the period April 2020 – March 2022. This decision can be reviewed by the Board at any time.

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 Requirements issued by DfE;
- proper accounting records have been kept by CAT centrally, each Academy and the Cheshire Learning & Teaching Alliance throughout the financial year; and
- grants made by the ESFA (and other bodies) have been applied for the purposes intended.

CAT should arrange for on-going monitoring of the performance of the auditors to be undertaken.

2.6 ACCOUNTING SYSTEM

All financial transactions of the central operating costs of CAT should be recorded on HCSS (CAT's chosen finance system).

Staff employed centrally by CAT are paid from Kelsall Primary Academy payroll via an external payroll

provider (Payplus Ltd), unless they had (or have) a previous or multiple role in a CAT academy. In this case they will continue to be paid from that academy for their CAT role. The cost is recharged to CAT via monthly intercompany journal/bank transfer.

Each Academy maintains its own bank account. All purchase, sales and cash transactions are recorded via HCSS. Academy Offices and the central team are required to follow a timed monthly work schedule to enable the production of monthly management accounts.



Transaction Processing

All transactions input to HCSS should be authorised in accordance with the procedures specified in this document. All journal entries must be documented in an appropriate form and authorised by the Director of Operations or the CAT Finance Manager prior to being input to HCSS. Bank transactions should be input by the Academy Business Manager Academy Business Manager (ABM) and the input should be checked by via the monthly bank reconciliation reports.

CAT will seek to adhere to the control principles set out within the Academies Financial Handbook.

2.7 DELEGATED FUNDING TO ACADEMIES

Each Academy receives its own funds directly into its bank account rather than being delegated funds by CAT. The central cost of CAT is met by a Universal Top Slice (UTS) from its' academies. The CAT budget

and UTS for individual academies and CLTA are agreed by the Board in the summer term and monitored throughout the year by the Director of Operations.

2.8 PROCUREMENT

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

- orders should not be entered into verbally, and unless a Credit/Debit card has been used, orders should always signpost a supplier/contractor to the Trust's terms & conditions of the order, which should be published on the CAT and Academy websites. These protect CAT against terms and conditions imposed by suppliers in the absence of quoted terms & conditions. All orders should be made through the HCSS system and approved per the CAT scheme of delegation. Any relevant documents should be scanned and attached to the requisition;
- individuals that are issued with Credit cards must also complete a requisition for any purchases via HCSS prior to making any purchase;
- in exceptional circumstances (e.g. emergency repairs) orders may be placed by telephone. In such circumstances a retrospective purchase order should be generated. Orders should be emailed to suppliers, in order to reduce timelines and provide an audit trail
- orders should only be approved by the Principal and/or the Director of Operations (or CAT member of staff working under their direction e.g. the CAT Finance Manager)
- orders may only be used for goods and services provided to the Academy, private individuals and other organisations may not use CAT requisitions to obtain work, goods, materials or services net of VAT.
- CAT/Academy funds may not be used to purchase or refund purchases of alcohol.
- **orders under £2,000** – it is the responsibility of the Academy Business Manager to ensure that

the officer ordering the work, goods, materials or services has taken reasonable steps to achieve Best Value. Best Value could be achieved by:

1. Economies of scale through pan-Trust purchasing
 2. bulk purchasing of common consumables,
 3. negotiating discounts,
 4. taking advantage of sale seasons,
 5. obtaining alternative quotations wherever possible.
- **orders over £2,000 but below £10,000** – it is the responsibility of the Principal to ensure that the Academy has obtained quotes or tenders from at least two (but preferably three) suppliers. If the academy does not intend to use the lowest quote, then the LGB will be asked to approve the purchase before the requisition is sent. The minutes of the meeting should clearly set out why the lowest quote was not chosen. If the lowest quote is chosen, then the Principal can approve the requisition but evidence of at least two quotes being received should be uploaded to HCSS via the purchase order.
 - **orders over £10,000 but below £50,000** it is the responsibility of the Principal to ensure that the Academy has obtained quotes or tenders from at least two (but preferably three) suppliers. The LGB should approve the purchase before any requisition is sent, having reviewed the quotes provided. Evidence of quotes should be uploaded to HCSS via the purchase order and reasons recorded in LGB minutes where the contract has not been awarded to the lowest quote/tender. The section in the minutes which notes the approval of the purchase should also be uploaded to HCSS, along with the invoice;
 - **orders over £50,000** are subject to the tendering policy (Appendix B) and should be managed by the Director of Operations.

2.9 OTHER MATTERS

Services purchased by CAT on behalf of its Academies

CAT must ensure that any contracts for services provided to their Academies and CLTA are properly procured and present value for money. CAT must ensure that fees and consultancy rates included within contracts are reasonable, represent value for money and are good use of public funds.

Novel and/or contentious transactions

Situations may arise where it may appear to CAT to make sense to enter into a transaction which is irregular, improper or does not provide value for money. In these circumstances CAT must seek prior, written permission from the ESFA. Such transactions may additionally require HM Treasury approval dependent on the nature of the transaction involved.

Managing surplus General Annual Grant (GAG)

It is important that GAG is spent as needed, to avoid excess calls on Exchequer funding and public borrowing. The ESFA previously set limits on the amount of GAG that could be carried forward from one year to the next. These limits have now been removed so that Multi Academy Trusts (MATs) have the freedom to keep money aside for when it is needed most and to build up reserves, for example for long-term capital projects.

The DfE expects MATS to use their allocated funding for the full benefit of their current pupils. Therefore, it is important that, if CAT 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.

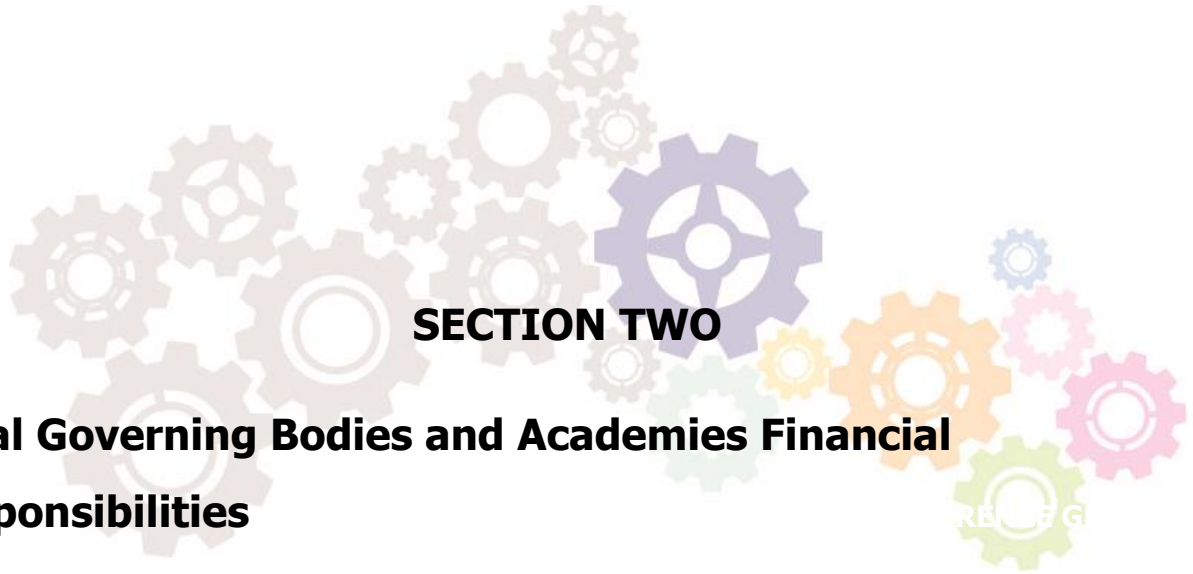
CAT has a reserves policy (appendix F) which details how the central Trust and academies should treat reserves from GAG or other funds.

Pooling of GAG by Multi-Academy Trusts

CAT 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 Trust in accordance with the guidelines that govern the use of GAG funding.

CAT must have due regard to the funding needs and allocations of each individual Academy and they must have an appeals mechanism in place. If an individual Academy's Principal feels that their Academy has been unfairly treated in relation to pooling arrangements, they should first appeal to the Board. If the grievance is not resolved, the Principal 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 this Handbook in relation to CAT.

Currently there are no arrangements in place for pooling of funds for CAT academies. Central costs are met via the UTS which is paid termly by academies.



SECTION TWO

Local Governing Bodies and Academies Financial Responsibilities

I WANT TO KNOW:	BRIEF SUMMARY:	Notify ESFA	Notify CAT Board	Notify Director of Operations	FURTHER DETAIL IN SECTION
Who does what?	There are specific duties listed for Governors and staff including Academy Principals.				2.1 – 2.5

<p>How much can I spend?</p>	<p>Providing the Principal authorises, any amount can be spent on a purchase order up to the amount of unused budget allocation within that expenditure code.</p>				<p>3.1</p>
<p>What if there isn't enough in the budget?</p>	<p>The Principal/Director of Operations can move up to £10,000 of budget from one code to another. More can be moved with Governor approval.</p>				<p>3.1</p>
<p>What financial information should the governors get?</p>	<p>They should receive an outturn report at least every term, showing how the Academy is performing compared to the planned budget and incorporating a forecast of the expected reserves at the end of the year.</p>		<p>x</p>	<p>x</p>	<p>3.2</p>
<p>How do I buy something?</p>	<p>Request the ABM to produce an official purchase order by completing an online requisition and get it authorised by the Principal or Director of Operations. Alternatively, an Academy credit card could be used.</p>				<p>3.3</p>
<p>Do I need to get quotes?</p>	<p>Not if the item is likely to cost less than £2,000. Any costs exceeding £50,000 are subject to the tendering policy (Appendix B)</p>			<p>x</p>	<p>3.3</p>
<p>What happens to the invoice?</p>	<p>The Principal/Director of Operations authorises it and the ABM will process and pay it through CAT's accounting system.</p>				<p>3.4</p>

How do we know that the Academy's accounting system is accurate?	Each month the Director of Operations should check and authorise the payroll reports and undertake reconciliation of all control accounts				3.5
Who can sign cheques?	CAT does not use cheque books				3.6
What goes on the inventory?	All items that are portable, desirable and of value.				3.7
What if we want to dispose of something?	The Principal can approve disposals with a current value less than £50. Otherwise the disposal must be approved at a governors meeting.	If over £45,000	x	x	3.7
What can we charge parents for?	Various residential and other activities held outside Academy hours.				3.9
What do we do with money we receive?	Pass to the ABM to be processed and banked promptly.				3.12
Can we enter into a lease?	If a lease is longer than three years you must notify the ESFA and gain approval from the Secretary of State	Dependent on term and lease	x	x	
What do we do if we identify Fraud?	Follow the procedures outlined in the Fraud Policy and Procedures	If over £5,000	x	x	Appendix C

INTRODUCTION

The section outlines the respective responsibilities of each LGB, Principal and member of staff or pupil in relation to financial administration. The Policy also provides a standardised approach to all finance related tasks within CAT academies and covers the following:

- Bexton Primary School
- Boughton Heath Academy
- Kelsall Primary School
- Mill View Primary School
- Cheshire Leadership and Teaching Alliance (CLTA)

Please note this policy should be used in conjunction with the latest version of the Academies Financial Handbook.

SUMMARY OF RESPONSIBILITIES

- The financial management of the Academy is delegated to the LGB by the CAT Board (there are certain circumstances in which this delegation may be removed from an LGB. This is detailed in the CAT Scheme of Delegation).
- The LGB delegates day to day responsibility for carrying out the policies and decisions of the LGB and its committees to the Principal
- Sub-committees operated by the LGB will act strictly within the remit allocated to them by the Full

LGB or the Board.

- Management and administration duties undertaken by the Principal and members of Academy staff shall be carried out in accordance with the terms of this statement, and within the terms of their contract of employment.
- It is the responsibility of the LGB to work with the Principal and Director of Operations to set an annual budget for the Academy, for submission to the CAT Board, which accords with the Academy's aims and objectives, as set out in the current Academy Development Plan, and the legislative responsibilities undertaken by the Governing Body. Such approval should be clearly minuted by the LGB in sufficient time to allow prompt submission of the plan to the CAT Board and the Education and Skills Funding Agency (ESFA) by 30 July.
- The Director of Operations will advise the LGB on all areas of the Academy budget, via a termly report.
- The LGB will, in each year, consider the recommendation of the Principal and will set an Annual Budget. Acting with advice and knowledge acquired from any combination of the Director of Operations, any LGB's committees, Principal or staff, The LGB will ensure that adequate long term budgeting is undertaken in order that the long term performance of the Academy may be maintained.

.1 THE ROLE OF THE LGB

The role of the LGB in Academy financial administration is:

- to plan the overall Academy budget, including priorities for future expenditure, and staffing,
- plan the Academy budget in accordance with the priorities in the Academy Development Plan, as informed by integrated curriculum financial planning,
- submit the budget plan to CAT Board for approval,
- to approve the draft annual budget for the Academy,
- monitor pupil number projections on a termly basis
- to maintain a register of pecuniary interests for governors and staff,
- to consider reports from the Director of Operations detailing spend against the agreed budget on a termly basis and hold the Principal to account for any significant/unexplained variance.
- operate the CAT's arrangements for obtaining quotations and inviting tenders,
- submit to the Board any proposed write-offs and disposals of surplus stock and equipment,
- determine matters relating to building maintenance, health and safety and lettings outside Academy hours in accordance with the Governors' delegated responsibilities,
- determine matters relating to Academy security,
- appoint and consider the findings and recommendations of Responsible Officer Audit reports and findings identified by the Director of Operations

The LGB can decide to delegate some of these responsibilities to a finance committee who should operate under an agreed terms of reference approved by the CAT Resources Committee.

.2 THE ROLE OF THE PRINCIPAL

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

- preparing the Academy development plan and enabling preparation of the Academy budget in accordance with priorities agreed by the governors and submission of these plans to the LGB for approval
- ensuring that day-to-day spend does not exceed specific budgets agreed by the LGB
- ensuring they and academy based staff are aware of and carry out their financial responsibilities in line with the requirements set out in this document, the CAT Scheme of Delegation and the current version of the Academies Financial Handbook

.3 THE ROLE OF THE DIRECTOR OF OPERATIONS

In conjunction with the Principal's aspirations set out in the Academy Development Plan the Director of Operations is responsible for:

- managing internal control systems and internal financial transactions in accordance with the current version of the Academies Financial Handbook;
- maintaining adequate financial records in accordance with current version of the Academies Financial Handbook;

- 
- providing monthly management accounts and cash flow reports to the Board;
 - providing a termly finance report to the Board/Resources Committee. This should detail individual projections for the central Trust and CLTA and consolidated financial information for all Trust academies;
 - providing an annual three-year budget forecast to the Board/Board, informed by the outcomes of the integrated curriculum financial planning process, along with future recommendations;
 - monitoring Academy cash flow;
 - ensuring that returns to the ESFA including the annual Budget Forecast Return and associated publishing are completed and submitted according to published deadlines;
 - ensuring that returns to Companies House including the annual corporation tax return are completed and submitted according to published deadlines;
 - providing access to accounting and other relevant records to Audit and implementing auditor recommendations where necessary;
 - overseeing the year end accounts procedure;
 - Representing CAT as an employer in the Local Government Pension Scheme (LGPS) and appropriately sharing information and completing returns including the annual year end return;
 - Completing year end processes for Teachers Pension (TP) and ensuring the TP audit takes place on an annual basis and prior to the deadline
 - arranging for adequate insurance cover
 - reviewing and updating risk registers on a termly basis, reporting on risk to LGB/Board and implementing plans to reduce risk;
 - ensure that adequate controls are in place to ensure that all responsibilities delegated are monitored;
 - termly completion and termly review of risk registers to be reviewed by LGB's in the Spring term;

- completing quarterly VAT returns to HMRC;
- managing grant fund applications (such as the Condition Improvement Fund) on behalf of academies and CAT;
- Line management responsibilities for CAT Finance Manager and Academy Business Managers

.4 THE ROLE OF THE ACADEMY BUSINESS MANAGER

Day-to day responsibility for financial procedures are delegated to the Academy Business Managers whose work is overseen by the CAT Finance Manager. Responsibilities delegated to academies include:

- managing internal control systems and internal financial transactions in accordance with the current version of the CAT Financial Handbook;
- maintaining adequate financial records in accordance with current version of the CAT Financial Handbook
- providing budget monitoring/outturn information for the Principal in line with the annual financial overview
- providing a termly budget monitoring report to governors. This should report any variations in expenditure against the approved budget plan;
- adhering to the Academy Office Monthly Overview and the Annual Finance Meeting Overview
- submitting monthly pay variations to the payroll provider (Payplus Ltd) as appropriate (e.g. supply or overtime hours etc.);
- ensuring SIMS is up to date in respect of all HR records and payroll changes e.g. sickness absence;
- ensuring that the appropriate financial procedures are followed in respect of ordering or raising sales invoices;

- ensuring that, authorisation of orders, invoices and schedules are in accordance with this financial handbook and the Academies Financial Handbook;
- prompt and intact banking of income and associated recording of income in accordance with the Academies Financial Handbook;
- operating the bank account as per the Academies Financial Handbook;
- to have an overview of cash flow so as to ensure the Academy has sufficient cash to meet its needs and if required submit cash flow statements to the finance committee;
- assist in the preparation of the three-year budget plan and the financial returns to the ESFA as directed by the Director of Operations;
- checking that the asset register 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 Governors' equipment to be written off or disposed of. Ensuring that disposal of such equipment is adequately recorded in the Governors' minutes and that the disposal of assets is conducted in an open manner and where income generated from disposal is maximised. Ensuring that lost or stolen items are reported to the LGB before formal approval to delete that item from the inventory/asset register;
- ensuring that all transactions are completed in line with deadlines set out in the CAT Annual Overview for Academy Offices;
- ensuring that all documents are scanned and linked to the relevant source in HCSS and/or on the Academy server. No evidence should be saved in paper format. No transactions should be processed in HCSS without the relevant evidence attached.

.5 THE ROLE OF CAT EMPLOYEES

The role of staff in financial administration is:

- to familiarise themselves with this handbook and any associated policies;
- to conduct all financial transactions relating to CAT or one of its academies in accordance with this handbook;
- to manage any budget delegated to them, and after due consultation with relevant staff;
- to actively seek 'best value' on all work, goods, materials or services procured on behalf of CAT;
- to ensure that all relevant documents (receipts, delivery notes, invoices etc.) are promptly passed to the administrator for processing.

4.1 LIMITS OF DELEGATION

Virements within Budget Share

The Principal or Director of Operations is authorised to vary the annual budget approved by the full LGB and the Board up to a maximum of £10,000 within any one budget area (e.g. staff costs, premises etc.). This variation must still be in accordance with the aims and objectives of the Academy, as laid down in the Academy Development Plan. This variation, known as a 'Virement within Budget Share' shall not exceed £10,000. A 'Virement within Budget Share' in excess of £10,000 should be recommended to the LGB by the Director of Operations and actioned after minuted approval of the 'Virement within Budget Share' by the Finance Committee.

Orders

The sum of up to £10,000 is the amount authorised by signature by the Principal or Director of Operations on any single order. They will, however, comply with financial regulations, as detailed in section 4.3 -

Procurement of Goods and Services (see below).

The monthly payroll direct debit mandate is the only exception to this where a mandate up to the value of £105,000 may be authorised by the Director of Operations.

The Principal will approve all purchase orders from the Academy. In the absence of the Principal their Vice Principal is nominated to authorise the raising of orders on a temporary basis.

Invoices

The sum of up to £10,000 is the amount authorised by signature by the Principal or Director of Operations on any single invoice. They will, however, comply with financial regulations, as detailed in section 2.4 – Invoice Processing (see below).

Having seen evidence of a Principal approved purchase order, The CAT Academies Finance Manager will approve all invoices from the Academy. This is to ensure they have been processed correctly in respect of coding, VAT and accounting periods.

Cheques

From September 2020 Cheshire Academies Trust ceased the use of cheques.

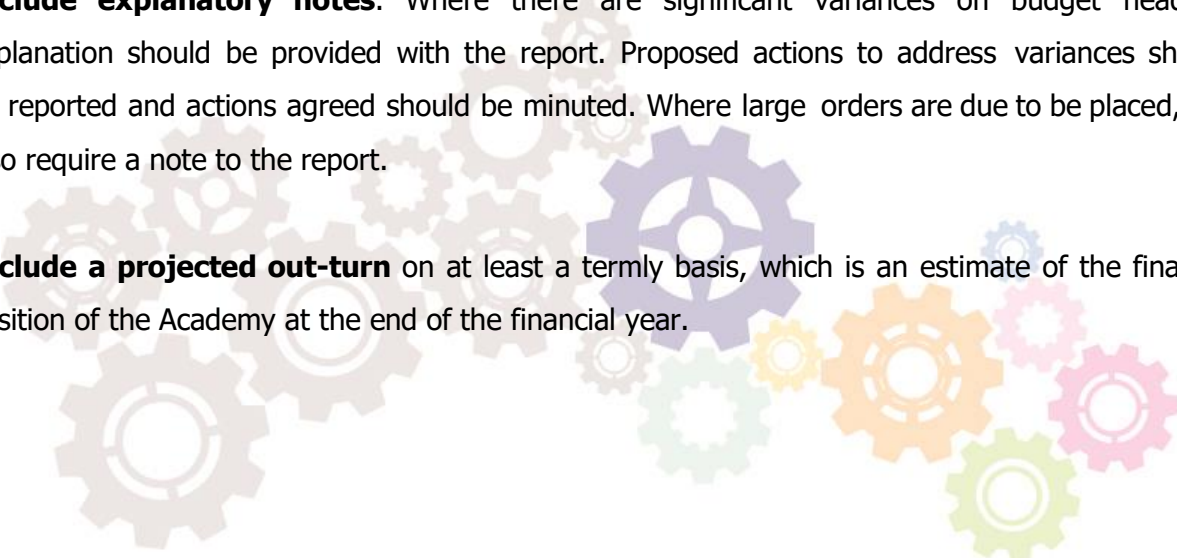
4.2 FINANCIAL REPORTS TO GOVERNORS

The Academy Business Manager is responsible for providing the LGB and CAT Board with a report on

the budgetary position of CAT and its academies at regular intervals. The report is presented to Governors at least once a term.

Financial reports should be reliable and relevant to users. Particularly, finance reports should be written in a way that is accessible to non-financial Governors. The characteristics of good quality financial information are:

- **Produced promptly.** Financial reporting should be carried out in line with the Academies Financial Handbook.
- **Accurate.** Actual expenditure appearing on the report should agree to what has been processed on HCSS. There should be a monthly reconciliation of the bank account to the local finance system. Where amounts have been charged to the Academy and are still in dispute, these should still be included in the actual expenditure until queries have been resolved.
- **Complete.** To provide governors with a “true and fair” view of the academies financial position the reports must include committed expenditure. For information to be complete expenditure that the Academy 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 Academy'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 minuted. Where large orders are due to be placed, this may also require a note to the report.
 - **Include a projected out-turn** on at least a termly basis, which is an estimate of the final budget position of the Academy at the end of the financial year.
- 

4.3 PROCUREMENT OF GOODS AND SERVICES

The procurement of goods and services is the process potentially most open to fraud or mismanagement and it is therefore essential to have strong financial controls to safeguard CAT's interests. It is essential that all of the following controls are adhered to:

- orders should not be entered into verbally and, unless a credit card has been used, orders should

always include a signpost to the CAT's terms & conditions (on the CAT and Academy websites) which protects against terms and conditions imposed by suppliers in the absence of quoted terms & conditions;

- purchase orders should be raised in HCSS and used to update the financial records to enable committed expenditure to be included in management information for governors;
- individuals that are issued with credit cards must complete a requisition request form prior to making any purchase or the detail must be recorded in an email to the Principal and their subsequent approval recorded also;
- in exceptional circumstances (e.g. emergency repairs) orders may be placed by telephone. In such circumstances a confirmation order should be generated. Orders should be emailed to suppliers, in order to reduce timelines and costs;
- orders should only be approved by the Principal. If the Principal is unavailable, the Director of Operations or the CAT Finance Manager are able to process approvals;
- orders should be approved via HCSS;
- orders may only be used for goods and services provided to the Academy. Private individuals and other organisations may not use CAT channels of ordering to obtain work, goods, materials or services net of VAT;
- it is the responsibility of the Principal in authorising the order to be satisfied that the work, goods, materials or services are appropriate and necessary, that there are adequate funds in the Academy budget for that purpose and that sufficient quotations/tenders have been obtained;
- If an Academy receives a request to update an organisations bank details they must take action to verify that the request is legitimate, not utilising data supplied in the request, prior to making any update (e.g. contact the firm using a telephone number from their website (rather than on the communication received, and ask them to verify the request);
- **orders under £2,000** – it is the responsibility of the Academy Business Manager to ensure

that the employee ordering the work, goods, materials or services has taken reasonable steps to achieve Best Value. Best Value could be achieved by:

- Internet search for price comparison,
 - bulk purchasing of common consumables,
 - negotiating discounts,
 - taking advantage of sale seasons,
 - obtaining alternative quotations wherever possible.
-
- **orders over £2,000 but below £50,000** – it is the responsibility of the Principal to ensure that the Academy has taken the same reasonable steps to ensure that the Best Value has been achieved on any purchase and these steps are documented and retained for inspection. If it is not known if the purchase will exceed £2,000 but it is estimated it will be around £2,000, then evidence of the steps taken should be retained. In practice, the most straightforward method of achieving proof of best value is by obtaining and documenting quotes or tenders as detailed below;
 - **orders over £2,000** – it is the responsibility of the Principal to ensure that the Academy has obtained quotes or tenders from at least two suppliers. Quotes/tenders above £10,000 or above £2,000 but not the lowest quote, should then be considered by the LGB before deciding which supplier to award the contract to. Under normal circumstances, the Academy should opt for the lowest of the two (or more) quotes/tenders. If the LGB decide to opt for a quote/tender other than the lowest, the reasons for such a decision should be clearly documented in the minutes of the meeting in which the decision was made. Evidence of all quotes should be attached to the purchase order in HCSS;
 - orders over £50,000 are subject to the tendering policy (Appendix B);
 - for building and maintenance work the above guidelines apply;
 - the Principal has a duty to ensure that any expenditure that is incurred through the Academy budget

is appropriate and for the purposes of the pupils of the Academy. Examples of inappropriate expenditure include gifts of any kind including: -

- Congratulations or get well flowers
 - Christmas gifts for members of staff
 - Leaving presents for members of staff
 - A staff thank you meal that has included partners
-
- any gifts given to the Academy or its staff must be in line with the CAT gift policy outlined in Appendix I and where appropriate recorded on the Academy's gifts and hospitality register;
 - hospitality budgets are to be used for when the Academy hosts meetings/events that relate to Academy business. Where possible Academy catering services should be utilized to provide hospitality rather than procuring outside services;
 - In line with the Academies Handbook, if goods or services are provided by an individual connected to the Trust/Academy they must be provided 'at cost' and if appropriate recorded as a related party transaction. From 1st April 2020 the ESFA must be informed of all related party transactions in advance and their approval sought for all transactions over £20,000

4.4 INVOICE PROCESSING

When invoices are received, it is essential to check that all the elements of the invoice are correct and match the requisition before authorising payment. The checks should be carried out and evidenced by separate individuals where possible. An invoice certification stamp is the best way of providing evidence that the following checks have been carried out but as a minimum invoice should be signed and dated:

- goods have been received and the quantity and quality being as per order;
- the arithmetic should be checked to ensure that the following are correct:
 1. Unit price
 2. Quantity
 3. Discounts
 4. Total net cost
 5. VAT has been applied at the applicable rate
 6. Total invoice cost
- valuable items that are portable and desirable should be security marked and added to the inventory or asset register immediately;
- that the invoice is not a copy and has not previously been paid. If it is necessary to request a duplicate invoice (if original is lost), then the duplicate should be marked 'not previously passed for payment';
- two approvers of which one must be the Principal or Director of Operations are required to authorise payment of invoices via Lloyds Commercial Banking Online

4.5 RECONCILIATION PROCEDURES

It is essential that thorough procedures are in place to ensure that all costs incurred and income received against the Academy's accounts are valid and verify that they are the responsibility of the Academy. The Director of Operations is responsible for ensuring that controls are in place for these checks

to be carried out. On a day-to-day basis they will delegate this role to the Academy Business Manager. The Academy Business Manager shall undertake the following duties on a monthly basis:

- reconcile all transactions between the bank account and HCSS;
- record all absences on SIMS and submit sickness absence claims where relevant;
- follow the dates outlined in the CAT Annual Overview for Academy Offices including completing a month end procedures by the 18th of the following month.
- follow the dates outlined in the annual Financial Overview

4.6 OPERATION OF LOCAL BANK ACCOUNTS

As each CAT Academy operates its own bank account they must implement these controls:

- a minimum of three signatures should be maintained on the mandate, one of which must be the Principal and one of which must be the Director of Operations;
- the mandate should be notified to the bank.

Direct debit payments may be entered into for the payment of utility bills and other suppliers with whom the Academy has a regular contract. The value of each Direct Debit should be reviewed and compared with invoices received from the supplier. Suppliers paid by Direct Debit must be reviewed regularly to ensure they continue to provide Best Value.

On receipt of the monthly bank statement, the Academy will reconcile the bank balance to the balance held in the HCSS system.

4.7 SECURITY, INVENTORIES, STOCKS AND DISPOSAL OF ASSETS

The LGB is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, etc. under its control. An **asset register** should also be maintained in a format agreed with governors, in which shall be recorded an adequate description of all land, buildings, moveable plant and machinery, vehicles, furniture, fittings and equipment belonging to the Academy, where the current valuation (for property) or the acquisition cost (for other assets) is greater than the following de-minimis levels:

- 
1. Land and Buildings £5,000
 2. Vehicles, Plant & Machinery and Other Equipment £3,000
 3. Furniture & Fittings £500
 4. Information Technology Equipment £250

Records of all portable, desirable and valuable items (not included on the asset register) shall be maintained on the official **Inventory**. These items should be permanently security marked as being the property of the Academy in a visible manner. Where inventories are maintained on a spreadsheet or database, a hard copy should be produced annually and retained.

Inventories shall be kept up to date to record all items received or disposed of by whatever means. Records will show any income received from disposals and cross referenced to accounting records and should also detail what funds have been used to purchase the asset (e.g. GAG, DFC, donation etc)

Serial numbers included on the inventory should, wherever possible, be the manufacturer's serial number.

Annually, a physical check of **all** inventory items should be carried out. All discrepancies shall be reported to the LGB.

Safes must be kept locked and the key removed. The loss of such keys should be reported to the Principal 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 £10,000 under the DfE's Risk Protection Arrangement however no Academy should hold more than £100 in any denomination in their safe unless exemption has been sought from the Director of Operations (e.g. following a charity fundraising day or book fair).

Losses due to theft of stocks or cash shall be promptly reported to the Police, Principal, Director of Operations and LGB.

Steps must be taken by the Principal to ensure that there are effective back up procedures for all computer systems. Recommendations for backup procedures should be regularly checked with CAT's IT support provider.

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

The General Data Protection Regulation (GDPR) was introduced in May 2019. It is the responsibility of the

Principal to ensure their Academy is compliant with the CAT GDPR Policy. Each Academy LGB's should appoint a Governor with responsibility for GDPR who will undertake a Responsible Officer visit annually in the Spring Term under the direction of the Director of Operations who is also the Data Protection Officer for CAT.

In disposing of assets, items with a value of less than £100 can be disposed of, by the Principal, but with the Governors being informed at their next meeting. Items disposed of above £500 (including lost or stolen items) will need Governors approval/acknowledgement in writing.

In disposing of IT equipment, an assessment should be made of such equipment to ensure that all sensitive data has been removed to ensure GDPR compliance.

The monies received from the disposal of an asset will be credited to the Academy budget, irrespective of how the asset was initially acquired. The income should not be credited to any other unofficial account.

In disposing of an asset, the Principal is responsible for ensuring that the Academy is taking reasonable steps to secure the maximum revenue for the asset. This should be achieved by:

1. taking reasonable steps to advertise the disposal;
2. inviting bids for the asset (can be done online by using EBay);
3. negotiating with potential purchasers.

The ABM is responsible for maintaining a register of assets/equipment loaned or taken off the premises by other establishments, staff or pupils. A separate register should be kept of long term loans (e.g. musical instruments) and loans relating to specific grants (e.g. computers at home initiative)

4.8 DEPRECIATION

Non-Current Assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.

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

Groups of assets will use the same method of depreciation. There may very occasionally be an asset that does not completely fit into one of the categories below and the Finance Committee will discuss these items on an individual basis.

ASSET GROUP	DEPRECIATION METHOD
Land	No depreciation
Buildings and Building modifications	2% (50 yrs) Straight line
Plant and Machinery	20% (5 yrs) Straight line with nil residual value
Furniture and Equipment	10% (5yrs) Straight line with nil residual value
Computer Equipment and Software	25% (4 yrs) Straight line with nil residual value
Assets Under Construction	These are not depreciated until the asset is
Motor Vehicles / Minibuses	20% (5 yrs) Straight line with nil residual value.

The expected useful life of all assets will be assessed prior to depreciation calculations and recorded in the Fixed Asset Register.

4.9 CHARGING POLICY

CHARGING AND REMISSIONS POLICY

GENERAL PRINCIPLES

The CAT Board and each Academy LGB is committed to the general principle of free education. CAT recognises the valuable contribution that a wide range of activities, including Academy visits, residential experiences and clubs, can make towards all aspects of pupils' education. CAT would accordingly wish to promote and provide as far as possible such activities as part of a broad and balanced curriculum for the benefit of pupils in its academies.

CHARGES

CAT reserves the right to make a charge for the following activities which may from time to time be organised by an Academy:

Residential Activities held during Academy hours: charges may be made for the board and lodging element of those residential activities during Academy hours. Parents will be notified in advance of any such activities which the Academy 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.

Any charge for a particular activity will be calculated by reference to the actual cost of providing the board and lodging for each pupil; no other costs will be covered by the charge. Any remission arrangements for such activities will be at the discretion of the LGB, EXCEPT in the circumstances described below.

Activities held outside Academy hours: The Academy may provide a range of such activities from time to time. These will sometimes include day and residential experiences. 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. (Board and lodging charges may still however be made for any residential activities subject to the remission arrangements described below.)

Parents will be notified in advance of any additional activities which the Academy 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'.

Any remission arrangements for such activities will be at the discretion of the LGB, *except* in the circumstances described below:

Materials and Ingredients: a charge will only be made for any materials and ingredients relating to activities taking place during Academy hours where parents have indicated in advance a wish to own the finished product, e.g. in Cooking classes or Design and Technology. Alternatively, parents may, in these circumstances, be asked to volunteer to provide the ingredients and materials prior to the activity taking place.

REMISSIONS

Where the parents of a pupil are in receipt of Pupil Premium Funding, Income Support or Universal Credit, the LGB will remit in full the cost of board and lodging for any residential activity the Academy organises for the pupil if the activity:

- takes place within Academy hours or,
- forms part of the syllabus for a prescribed public examination or fulfils statutory duties relating to the National Curriculum or religious education, irrespective of whether the activity takes place within or outside Academy hours.

Any other remission arrangements for a particular activity or pupil will be entirely at the discretion of the LGB. Any subsidy provided by the LGB will be met from the funds at its disposal.

VOLUNTARY CONTRIBUTIONS

Nothing in this policy statement precludes the LGB from inviting parents to make voluntary contributions for the benefit of the Academy or in support of any Academy activity, whether during or outside Academy hours. Any contributions sought will be entirely voluntary and pupils will not be treated differently according to whether or not their parents make a contribution in response to any invitation.

BREAKAGES AND DAMAGE TO ACADEMY PROPERTY

The LGB reserves the right to seek reparation from parents where their children deliberately cause breakages or damage to CAT property.

REVIEW

The Board reserves the right to review and amend this charging policy statement from time to time, as appropriate.

4.10 INSURANCE ARRANGEMENTS

The Director of Operations shall be responsible for enrolling CAT academies in the DfE's Risk Protection Arrangement (RPA) and the Hyman Roberts III Health Insurance Scheme. These insure the Academy against risks to which they are exposed. The ABM is responsible for procuring on behalf of the Academy all other necessary insurance including, staff business use, absence/maternity, vehicle insurance or other areas not covered by the RPA.

- the Principal shall promptly notify the Director of Operations of any new risks, additions and alterations affecting existing insurances and shall consult with them together with legal advice in respect of any terms of indemnity which the Academy may be required to give;
- the Principal shall immediately notify the Director of Operations via email of any loss, liability or damage, or any event likely to result in a claim, and take such other action as may be necessary to satisfy any insurance policy conditions (e.g. notifying police and obtaining crime identification numbers);
- The Principal will be responsible for identifying potential areas of risk and for establishing procedures for reducing risks where possible.

4.11 PAYMENTS TO INDIVIDUALS

The Academy 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),
- if considered to be a contract of service, the individual shall be set up as an employee of the Trust before receiving payment through the payroll service
- where an individual seeks payment from the Academy for a contract for services, this must be in the form of an invoice

Careful attention should be paid to repetitive payments to individuals.

Travel claims should be processed and paid directly by the Academy via the payroll system. CAT determines the rates of reimbursement which do not exceed the HMRC approved rate.

4.12 RECEIVING INCOME

Where possible Academy offices should be cashless. When income generated by the Academy is received in the form of cash or cheque it should:

- be paid into the Academy's bank account without delay or deduction,
- be banked prior to any Academy closure exceeding twenty-four hours,
- be collected in advance of service delivery wherever possible,
- be acknowledged by official receipts and accounted for without delay, with all such receipts held securely to prevent misuse,
- be identified by means of an appropriate ledger code,
- not be used to discharge expenditure,

- not be used for the purpose of cashing personal cheques.

Where income is to be collected after the service has been provided, an official invoice shall be issued and submitted without delay, to the debtor via HCSS.

All income shall be held securely until banked.

All payments banked shall be by means of an official bank paying-in book, separately identifying cash and cheques, with all cheques listed.

The maximum amount of income an Academy should hold securely is £100. The Academy shall not exceed the agreed limit.

4.13 MISCELLANEOUS ISSUES

REGISTER OF PECUNIARY (OR BUSINESS) INTERESTS

On behalf of each LGB and the Trust Board the CAT Governance Manager 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 Governor, Principal or other relevant member of staff. All Governors and members of staff shall declare in writing if they have a pecuniary interest in a personal capacity in any contract with CAT or one of its academies.

The Governance Manager shall keep the Register up to date as new Governors or staff join CAT and

must undertake a termly review. A pecuniary interest form should contain the following information:

- the name of the individual,
- the company or organisation the individual has an interest in,
- what the interest is

It is the responsibility of the individual to update the Governance Manager if their interest changes. All governors and staff attending LGB meetings must make a declaration even if that declaration is nil.

GIFTS

All gifts to the Academy either in kind or in money should be recorded by the ABM.

EXPENSES PAID TO GOVERNORS

Expenses may be paid to Governors in accordance with CAT as detailed in the CAT Governors Allowance Policy, available via the CAT website.

AUDIT

Academies will be subject to an internal Responsible Office audit as per this handbook. Also, the Academy will receive an 'end of year audit' in preparation for submitting the end of year accounts to the DfE, which will take place in October each year. An audit overview/calendar will be produced by the Director of Operations and provided to Academy's at the start of each financial year.

LETTINGS

Prices for charging will be reviewed annually by the Director of Operations. The charges should include where appropriate a Caretaker Fee and a proportion of Energy Costs.



Appendix A

Scheme of Delegation for Payments, Bank Accounts and Charge Cards

Financial Regulations Authorisation Limits

Charge Cards

Charge cards are administered by the Director of Operations. They are issued to relevant staff at an Academy at the request of the Principal. It is expected that the Principal, the Academy Business Manager, the Site Maintenance Officer, Catering Manager, Nursery Manager and Extended Schools Manager will all require access to a charge card.

All charge cards are issued with a maximum spend limit of £500 per month. Charge cards are for emergency use or use when raising a purchase order is not a viable option (e.g. a purchase on a school visit). They should not be used as a way of circumnavigating the Trust's purchasing procedures set out in this document.

Card holders are responsible for ensuring all purchases are properly authorised, where possible in advance of the purchase being made. They must also provide a receipt for all transactions. Access to charge cards will be restricted if holders are unable to fulfil these requirements.

The Director of Operations has the ability to lower or raise charge card limits. Requests for temporary changes to any card holders limit should be emailed to the Director of Operations by the Principal, setting out the required limit, timeframe and reason for the change, along with their approval.

Expenditure Limits

Academy Business Manager	£500
CAT Finance Manager	£1,000
Charge Card Holder	Per card limit
Principal	£10,000
Director of Operations	£10,000
Local Governing Body	£100,000
CAT Trust Board	Unlimited

Budget Virement Limits

Director of Operations	£10,000
Principal	£10,000
Local Governing Body	Over £10,000

Journal Virement Limits

CAT Finance Manager	£50,000
Director of Operations	£Unlimited

Writing off bad debts

Director of Operations	£5,000
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Principal	£5,000
Finance Committee	Over £5,000

Disposal of Surplus Stock, Stores & Assets

Director of Operations	£5,000
Principal	Up to £5,000
Finance Committee	Over £5,000

SAFE CASH/CHEQUE LIMIT

Combined Cash and Cheque	£100
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Ordering Procedures

Reasonable search for best value	£1 - £2,000
Competitive quotations (2 min) - evidence required	£2,001 - £49,999
Tendering procedure	Over £50,000

Minor Building Repairs

Site Manager (IN EMERGENCIES ONLY)	Up to £2,500
Admin and Finance Officer	£1,000
Director of Operations	£10,000
Principal	£10,000
Local Governing Body	Over £10,000

Appendix B

TENDERING POLICY

Orders over £50,000

All goods/services ordered with a value over £50,000 must be subject to formal tendering procedures. Purchases over £181,302 (threshold from 01/01/2019 to 31/12/2020) net of VAT may fall under EU procurement rules*, which, requires advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in the Academies Financial Handbook. Ordering goods which may potentially be over £50,000 must be discussed with Director of Operations prior to any communication with suppliers. This is to ensure correct procedures are followed from the outset.

**This requirement will be reviewed after 1st January 2021*

Forms of Tender

There are three forms of tender procedure: open, restricted and negotiated and the guidance for circumstances in which each procedure should be used are described below.

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Director of Operations how best to advertise for supplier's e.g. local media or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

- **Restricted Tender:** This is where suppliers are specifically invited to tender.

Restricted tenders may be appropriate where:

- there is a need to maintain a balance between the contract value and administrative costs,
 - a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the Trust/Academy's requirements,
 - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This may be appropriate in specific circumstances:
 - the above methods have resulted in either no or unacceptable tenders,
 - only one or very few suppliers are available,
 - extreme urgency exists,
 - additional deliveries by the existing supplier are justified.

Preparation for Tender

Full consideration may be given to:

- objective of project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract.

It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

If a restricted tender is to be used, then an invitation to tender should be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

An invitation to tender may include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project;

- terms and conditions of tender and
- form of response

Aspects to Consider

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation?

Technical/Suitability

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers.

Other Considerations

- Pre sales demonstrations
- After sales service

- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the Trust. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted and any reason for accepting them should be recorded.

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders; the Director of Operations, ABM or the Principal plus a member of the Finance Committee.

A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

Tendering Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest,

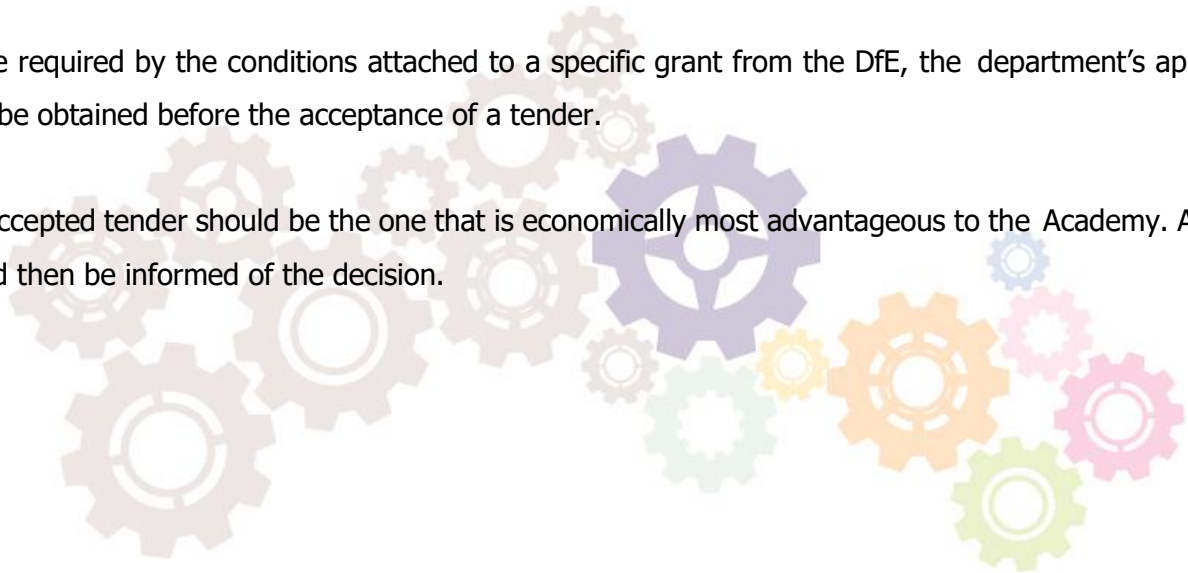
then that person must withdraw from the tendering process.

Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Full records should be kept of all criteria used for evaluation of contracts over £50,000 and a report should be prepared for the Finance Committee highlighting the relevant issues and recommending a decision.

Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.

The accepted tender should be the one that is economically most advantageous to the Academy. All parties should then be informed of the decision.



Appendix C

Fraud Policy and Procedures

Introduction

CAT, its academies and CLTA aim to be honest and ethical institutions. As such, CAT is opposed to fraud and seeks to eliminate fraud by the way it conducts business. This document sets out CAT's policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, CAT'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, CAT 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), a Board Resources Committee with responsibility for internal audit procedures 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 CAT and a fraud response plan which sets out CAT'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

CAT 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 CAT'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, CLTA students and constituent parts of CAT. Refusal to observe them will be grounds for disciplinary action.
- in disbursing and accounting for all funds, CAT must demonstrate that it is adopting high standards of financial probity. Implicit within this regime is the requirement that Trustees, governors and employees of CAT must at all times conduct financial affairs in an ethical manner.
- all members of staff, Trustees and governors of CAT are responsible for disclosing any personal, financial or beneficial interest in any transaction with respect to CAT or an 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/she has a personal interest must disclose this to the Principal or the Director of Operations.
- Trustees, governors or employees of CAT shall never use their office or employment for personal gain and must at all times act in good faith with regard to the Trust's interests.
- Designated 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 CAT property.

Taken together, these represent a statement of the framework within which Trustees, governors and

employees are expected to conduct themselves. These requirements are also reflected in the CAT Code of Conduct which is available to all members of staff and which also includes a statement of the disciplinary consequences if they are not complied with.

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 and cashless offices. Human Resource 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, including DBS checks.

The general framework of responsibilities for financial management and the policies relating to the broad control and management of CAT are documented in the CAT Finance Handbook. The Financial Procedures are issued and updated periodically by the Director of Operations. They are binding on all Trustees, governors, members of staff, CLTA students and constituent parts of CAT and are available for all staff to familiarise themselves with.

CAT has also established a Responsible Officer function which provides advice to senior leaders and LGB's 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 CAT'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 CAT retains control of its affairs in a crisis; and
- make 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 CAT; and
- creation of an environment which, because it is perceived as being ill-prepared, increases the

risk of fraud.

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

All Trustees, governors, members of staff, CLTA students and constituent parts of CAT are required to notify immediately the Principal and/or the Director of Operations of any financial irregularity, or any circumstance suggesting the possibility of irregularity, affecting the financial procedures, cash, stores or other property of CAT or one of its academies. The Principal and/or the Director of Operations should bring this to the attention of the Chair of the LGB and/or the Board of Trustees immediately.

1. The Principal/Director of Operations will ascertain whether or not the suspicions have substance. He/She 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 Governors/the Board.
2. The Principal will have the initial responsibility for coordinating the individual Academy's response. In doing this he/she will consult with the Director of Operations regarding potential employment issues. The Principal/Director of Operations may also seek advice from CAT's CEO and/or expert legal advice from the CAT's Legal Advisor on both employment and litigation issues before taking any further action.
3. The Principal is required to notify the LGB and the Director of Operations 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 and the Chair of Governors fully informed between committee meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns. The Director of Operations will report as necessary to the Resources Committee.

4. If evidence of a fraud is forthcoming, then the Board of Trustees will inform the ESFA as required by the Funding Agreement and will consider whether or not to refer the issue to the Police.

Appendix D

Best Value Statement for Local Governing Bodies

Introduction

Unless instructed otherwise, the Board delegates all responsibility for Academy finances to the LGB. The LGB is held accountable for the way in which the Academy's resources are allocated to meet the objectives set out in the Academy's development plans. Governors need 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 Academy's achievements and services.

What is Best Value?

Governors will apply the four principals of best value:

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

The Governors Approach

The governors and senior leaders will apply the principles of best value when making decisions about:

- The allocation of resources to best promote the aims and values of the Academy.
 - 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 governors and senior leaders will:
- Make comparisons with CAT academies and Academy's locally and nationally using available data, e.g. Analyse Academy Performance (ASP), 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
- Use of premises
- Use of resources
- Quality of teaching
- Quality of learning
- Purchasing
- Pupil safeguarding and welfare
- Health and safety

Staffing

Governors and senior leaders 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

Governors and senior leaders 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

Governors and senior leaders will deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality learning.

Teaching

Governors and senior leaders 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.

- teaching which builds on previous learning and has expectations of children's achievement

Learning

Governors and senior leaders will review the quality of children's learning by setting of pupil achievement targets.

Purchasing

Governors and senior leaders will develop procedures for assessing need, and obtaining goods and services which provide best value in terms of suitability, efficiency, time and cost.

Pupil Safeguarding and Welfare

Governors and senior leaders will review the quality of the Academy environment and the Academy ethos, in order to provide a supportive environment conducive to learning and recreation.


Health and Safety

Governors and senior leaders will review the quality of the Academy environment and equipment, carrying

out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

Monitoring

These areas will be monitored for best value by:

1. CAT/Academy Development Plans
 2. Annual performance management.
 3. Annual budget planning.
 4. Principal's reports.
 5. Director of Operations finance report
 6. Feedback from responsible officer and audit report.
 7. Analysis of pupil performance data.
 8. Analysis of MAT financial benchmarking data.
 9. Analysis of Academy financial KPI's
 10. Analysis of School Resource Management Self-Assessment Data
 11. Analysis of DfE pupil performance data.
 12. Key issues for action identified by OFSTED.
 13. Governors termly committee meetings
- 

Appendix E

Travel & Subsistence Policy

Introduction

No employee should make a travel claim without advance permission of the Principal.

It is very important that claims are not made outside the terms of this policy and guidance unless permission has been given specifically to deal with a particular situation.

Accommodation

All overnight stays must be approved in advance by the Principal.

In some situations, particularly certain training courses, accommodation is provided as part of the package, in which case employees do not need to make any claim. In other cases, the employee will be reimbursed the actual cost of bed and breakfast incurred as expenses via payroll.

Travel

General Principles

Employees should only make business journeys when they are absolutely necessary. Other options should always be considered before travel is undertaken which are more efficient and cost effective. For example, email, telephone conferencing, Skype etc.

Where a business journey is necessary, employees are expected to organise it in the shortest and most effective way.

Employees whose post requires them to undertake business travel are responsible for their own travel arrangements and these must be carried out in the most effective and efficient way to perform the job. CAT will support necessary business travel, including reimbursement of costs arising from the use of employees' own vehicles.

Environmentally friendly travel is encouraged. Mileage payments will be made within Her Majesty's Revenue and Customs guidelines. Any reimbursement will be made via the payroll system only on receipt of a completed claim form.



Mileage Payments

Employees who use their own car, van, motorcycle or cycle for official CAT work purposes are entitled to be reimbursed in accordance with Her Majesty's Customs and Revenue (HMRC) approved mileage rates.

Where a number of employees undertake the same or a similar journey, they should always travel together.

The basic criteria for claiming official mileage is that this should be calculated from the employee's workplace and back again. Normal everyday home to Academy mileage is the employee's responsibility.

Where it is more beneficial for employees to travel direct from home to an outside appointment or vice

versa, rather than call in to the workplace first, they are only entitled to claim the number of miles over and above their normal home to work mileage. On this basis, all travel claims in any one day should always exclude the employee's normal home to Academy miles regardless of the reason e.g. training course etc.

The only circumstance in which normal home to Academy mileage is payable is where a second journey from home to a place of work is made on the same day in order to carry out official duties. Where an employee agrees to work on a day they would not normally work, it is still their responsibility to get to and from work (including training courses). Therefore, no home to Academy mileage is payable.

Other conditions

Where an employee is required to travel from their normal workplace to carry out their day to day role, travelling time is included within their normal working day. However, employees who are expected to travel to training courses can claim no more hours than their normal working day including travelling time. Where there are excessive demands placed on an employee, for example very long distances travelled which extend significantly over the working day and where such occurrences happen repeatedly over a short period of time, then management will have discretion, as a gesture of goodwill, to allow some time in lieu as recompense.

Rail Travel

If an employee requires a rail ticket for business purposes this should be bought on line taking care to achieve best value and using an Academy/Trust credit/debit card.

Employees are expected to travel standard class and take advantage of off peak or other reduced rates

if the circumstances allow. First Class travel may be used provided approval is obtained, if:

- accompanying someone else travelling First Class; or
- the timing of a journey would make it impossible to work effectively, e.g. peak holiday periods; or
- standard class accommodation is full

Parking Expenses

Bus fares and car-parking charges incurred on CAT business may be reclaimed in full. CAT will not reimburse in respect of parking and similar fines.

Authorisation

The formal responsibility for authorising business journeys rests with the Principal. Employees are advised to seek approval in advance for any unusual journeys where there is likely to be any doubt about the legitimacy of the journey or of the amount of mileage that can be claimed.

Methods of Claiming

Employees should complete the CAT Expenses Claim Form, attaching the relevant VAT receipts. Claims should be made on such dates specified by the payroll provider and submitted immediately to Academy Business Managers in order that processing may take place in time for the following month's payroll. Claims must be made on a monthly basis; if an employee delays and then submits forms covering a substantial period they will only be paid at the Principals discretion.

Employees should note the terms of the declaration on the claim form. No one should make or approve a claim if the conditions explained in this policy have not been met. CAT will take a very serious view of fraudulent or negligent claiming or certification.

CAT will not reimburse expenses if relevant receipts/evidence is not provided. Expenses will only be paid via the payroll system.

Insurance

Employees who use their own vehicle for work are covered by CAT's insurance policy for staff business use. This is normally referred to as 'Business, Social and Domestic' cover by Insurance companies. It is the employee's responsibility that they meet the requirements of this insurance by confirming they are in receipt of the following documents to the Academy Business Managers on an annual basis:

- Valid MOT certificate
- Valid driving licence

Employees must be able to produce these certificates on demand if requested by their Academy.

The following rates apply to employees who are required to travel on CAT business:

Pence per mile

Car or Van Users First 10,000 miles	45p
After 10,000 miles	25p
Motorcycle	

Users

24p

Bicycle Users

20p

Appendix F

Reserves Policy

Introduction

The Charities Statement of Recommended Practice (current version) (known as the Charities SORP) states that where reserves are held, it is a requirement that charity Trustees must state their reserves policy in their annual report. As an exempt charity Cheshire Academies Trust must comply with these regulations.

Further guidance on reserves policies and reporting requirements is contained in the Education and Skills Funding Agency's (ESFAs) and the annual Academies Financial Handbook and Academies Accounts Direction.

Purpose

The Board of Cheshire Academies Trust believes that funding received in anyone year should be spent supporting the children on roll at that time. However, CAT Academies are expected to create reserves from their annual General Annual Grant (GAG) funding or other funding streams. The purpose of this is so they have the ability to quickly adjust to changing or unexpected financial circumstances such as large, unplanned

expenditure, cyclical maintenance or other capital requirements.

It is considered good business practice to hold reserves and is a requirement of the CAT Board of Directors that their academies seek to do so. Although the Board does recognise that current levels of funding provide little opportunity to create a surplus. CAT academies hold reserves in order to provide sufficient working capital to cover delays between spending and receipt of grant income, to provide for unexpected emergencies where unforeseen costs are incurred and to build up funding for planned future capital projects.

Definitions - Fund Accounting

Unrestricted funds are resources which may be used towards meeting any of the charitable objectives of the Trust at the discretion of the Trustees (for example a surplus derived from an academy's catering or out of hours' operations). These funds may make up part of an Academy's revenue reserve.

Designated funds are unrestricted funds which have been earmarked for a particular future project or commitment. Although earmarked, designated funds remain part of the unrestricted funds of the charity because designation does not legally restrict Trustee's discretion in how to apply the restricted funds they have earmarked (for example a catering surplus earmarked for large kitchen equipment replacement). These funds may make up part of an Academy's revenue reserve.

Restricted Fixed Asset Funds are resources to be applied to specific capital projects (DFC, CIF or other grant funds).

Restricted General Funds are all other restricted funds received by the academy and include funding streams such as GAG, UIFSM PE/Sports Grant, Pupil Premium, SEN funding etc.

Contingency Reserves

The Board requires each Local Governing Body to deliver a contingency reserve fund but recognises the difficulty in achieving this without impacting of the quality of education in the academy and therefore expects the LGB to build to a reasonable level of reserve within the first three years of joining Cheshire Academies Trust. The requirements are set out in the CAT reserves policy.

-

The ESFA no longer sets limits on reserves built from the General Annual Grant (GAG) but will report to the DfE any Trusts where it has serious concerns about a long-term substantial surplus with no clear plans for its use.

The Board stipulates that LGBs aim to deliver a contingency reserve fund which is minimally equivalent to one month's average payroll costs but recognises that levels will differ taking into account current and future circumstances. The Board advises the LGB to work with the Trust's Director of Operations to determine an appropriate level.

The LGB should ensure all reserves are reported at and reviewed termly at LGB meetings (or the committee to which financial responsibility is devolved). All expenditure from reserves must be approved by the Trust, (regardless of the level of expenditure), in advance of it being spent.

The Director of Operations will review reserve levels annually and report to the Board autumn term meeting. The review will take into account the overall academy financial position, the nature of the income and

expenditure streams, identify when levels have fallen significantly short of or above targets, recommend corrective action if necessary and ensure the policy remains relevant.

Centrally Held Reserves

The Board has resolved that a centrally held reserve fund should be created to support academies or the Trust in an unexpected financial emergency. The Trusts central funds are primarily created from the Universal Top-Slice to academies and therefore the Board acknowledges that large levels of reserves cannot be held centrally without impacting on academy budgets.

During the budget setting process each summer term the Director of Operations will recommend a level of reserve to be held centrally, taking into account UTS commitments, planned development/expansion, and the current level of perceived financial risk

Cheshire Learning and Teaching Alliance (CLTA) Reserves

The Board has resolved that a reserve fund for CLTA should be created to meet any costs incurred in the event that CLTA must be wound up. These include costs relating to redundancy, legal and administration. CLTA reserves are built from their unrestricted funds (trading income) only.

The Director of Operations will review reserve levels annually and report to the Board autumn term meeting. The review will take into account the overall financial position, the nature of the income and expenditure streams, identify when levels have fallen significantly short of or above targets, recommend corrective action if necessary and ensure the policy remains relevant.

Use of Reserves

If an academy wishes to make an application for use of the Trusts reserves they must email their request to the Director of Operations stating the amount being requested, what the funds will be used for and why the academy is unable to resource the expenditure from their GAG or other income streams.

There is no restriction on the type of expenditure for which an academy might make an application to draw upon Trust reserves. Examples of applications which would be considered would be emergency premises work, where failure to undertake the works may result in school closure or risk to children and staff; unforeseen legal expenses not met by the Risk Pooling Arrangement; unexpected loss or destruction of resources or property not met by the Risk Pooling Arrangement; a short term loan to cover a cash flow issue.

The Director of Operations will advise the Chief Executive Officer (CEO) on the merits of the application. The CEO may reject the application on the basis the academy can fund the expenditure, it is unnecessary expenditure or the academy has deliberately spent other funds planning to rely on the Trusts reserves. It may be more suitable for the academy to make an application to the Education and Skills Funding Agency for an advance of their academy funding and the CEO may make this as a recommendation. If this recommendation is accepted the Director of Operations will support the academy in making their application. If the CEO rejects the application the academy can apply to Trust for a review. In this case the academy must request this via email to the clerk to the CAT Board.

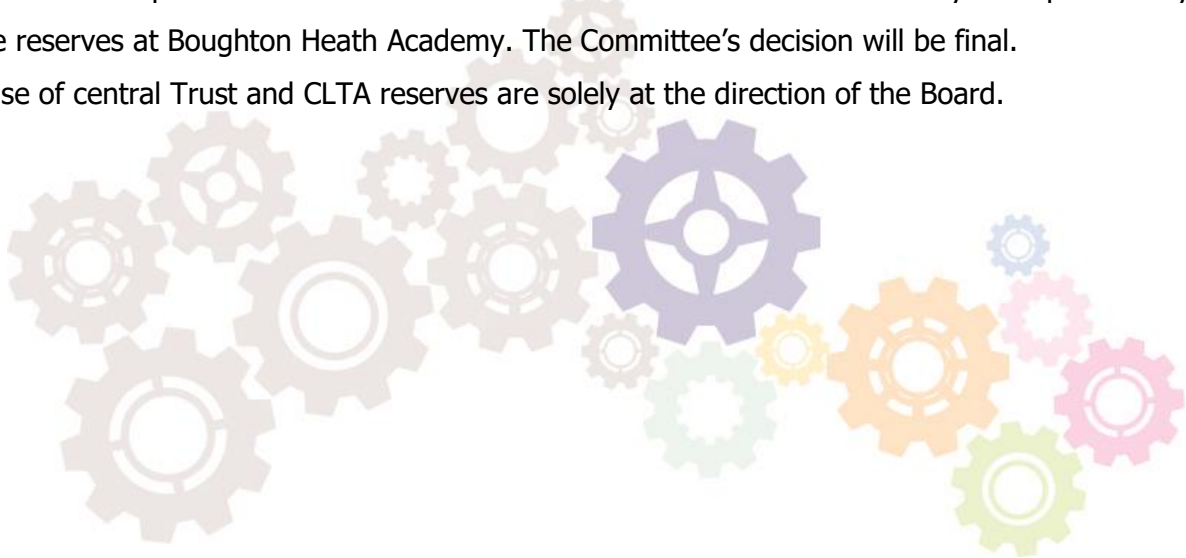
Members of the CAT Resources Committee (with no direct links to the academy), will review the academy's original application and the Director of Operations response. This can be reviewed in person at a prearranged time or completed via email facilitated by the Clerk to the Board. The majority decision of the Committee is final. There is no timeframe for a review to take place but the Board will seek to complete any requested

reviews in good time.

If the Director of Operations is in support of the application, they will seek approval from the CEO via email on behalf of the academy. The CEO can impose conditions on any approved application as they see fit to support public funds.

The CEO will not have any decision making capacity in respect of use of reserves at Boughton Heath Academy. The Director of Operations will liaise with the CAT Resources Committee directly in respect of any application to use reserves at Boughton Heath Academy. The Committee's decision will be final.

The use of central Trust and CLTA reserves are solely at the direction of the Board.



Appendix G

Whistleblowing Policy

Reviewing

The purpose of this policy is to make clear that employees can and should voice concerns without fear of victimisation, subsequent discrimination or disadvantage. It is intended that this policy will encourage and enable employees to raise serious concerns within their CAT rather than overlooking a problem or 'whistleblowing' outside the organisation.

Applicability

This policy applies to all employees within CAT whether on a permanent or on a fixed term contact. It also applies to contractors working for CAT or one of its academies.

Roles and Responsibilities

CAT along with the LGB and Academy senior leadership teams has overall responsibility for ensuring that the Whistleblowing Policy is managed appropriately in accordance with this agreed procedure.

The Principal along with senior leaders are responsible for making employees aware of the existence of this policy. The Principal is responsible for maintaining a record of concerns raised and outcomes (but in a form which does not endanger confidentiality) and will report to the LGB and CAT CEO as necessary.

Employees are responsible for making themselves familiar with and complying with this policy.

Employees could be the first to realise that there may be something seriously wrong within an individual Academy or CAT. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Academy. They may also fear harassment or victimisation. In these circumstances the employee may feel it is easier to ignore the concern rather than report what may just be a suspicion of malpractice.

CAT is committed to the highest possible standards of openness, probity and accountability. In line with that commitment we expect employees, and others that we deal with, who have serious concerns about any aspect of CAT's work to come forward and voice those concerns. It is recognised that most cases will have to proceed on a confidential basis.

This policy aims to encourage employees to feel confident about raising serious concerns and to question and act upon concerns about practice and to provide avenues for employees to raise those concerns and receive feedback on any action taken. The policy also aims to reassure employees that they will be protected from possible reprisals or victimisation if they have a reasonable belief and have made any disclosure in good faith.

A Grievance policy and procedure exists to enable an employee to lodge a grievance relating to his/her own employment. The Safeguarding policy informs staff of the steps that should be taken if they have concerns regarding pupil welfare.

The Whistleblowing policy is intended to cover major concerns that fall outside the scope of other procedures. This includes:

conduct which is an offence or breach of the law
disclosures related to miscarriages of justice
serious health and safety risks, including risks to the public as well as other employees
serious damage to the environment
the unauthorised use of public funds unethical
conduct

Any serious concerns that an employee may have about any aspect of conduct by employees of CAT or others acting on behalf of CAT may be reported under this policy. This policy does not replace CAT's complaints procedure.

In line with AFH requirements the whistleblowing policy must be published on the Trust website.

Safeguards against Harassment or Victimisation

CAT recognises that the decision to report a concern can be a difficult one to make. If what the employee is saying is true, or they have a reasonable believe that it is true, the employee will have nothing to fear because they will be doing their duty to the Academy and pupils of the Academy.

CAT will not tolerate any harassment or victimisation (including informal pressure) and will take appropriate action to protect employees when concerns are raised in good faith.

Any investigation into allegations of potential malpractice will not influence, or be influenced by, any disciplinary or redundancy procedures that already affect an employee.

Confidentiality

All concerns will be treated in confidence and every effort will be made not to reveal the identity of an employee who raises allegations under this policy. At the appropriate time, however, the employee may need to come forward as a witness.

Employees are encouraged to put their name to allegations wherever possible. This is because concerns expressed anonymously are much more difficult to investigate. Therefore, anonymous allegations will be considered at the discretion of the Principal in consultation with the Chair of the LGB.

Untrue Allegations

If an employee makes an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against the employee. If, however, the employee makes an allegation frivolously, maliciously or for personal gain, disciplinary action will be taken against the employee.

How to raise a concern

In most circumstances the employee should raise concerns with their immediate line manager. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of malpractice. For example, if the employee believes that senior leaders are involved, the employee should approach the Principal, Chair of the LGB or the CAT CEO.

Concerns may be raised verbally or in writing. It is helpful for the following information to be provided: the background and history of the concern (giving relevant names and dates) and the reason why the employee is particularly concerned about the situation.

The earlier the employee expresses the concerns, the easier it will be to take action.

Although the employee is not expected to prove beyond reasonable doubt the truth of an allegation, the employee should demonstrate to the person contacted that there are reasonable grounds for the concern.

The employee may wish to consider discussing the concern with a colleague or trade union representative first and may find it easier to raise the matter if there are other colleagues who have the same experience or concerns.



How CAT will respond

The Academy may need to test out the concerns. Where appropriate the concerns may be investigated senior leaders, this could be through the disciplinary process where relevant; or form the subject of an independent inquiry.

In order to protect individuals and those accused of malpractice, initial enquiries will be made to decide whether an investigation is appropriate, and if so, what form it should take. Some concerns may be resolved by agreed action without the need for investigation.

Within 10 working days of a concern being raised the Principal or Chair of the LGB will write to the employee:

- acknowledging that a concern has been raised
- indicating how it is proposed to deal with the matter
- giving an estimate of how long it will take to provide a final response
- telling the employee whether any initial enquiries have been made
- telling the employee whether further investigations will take place and if not, why not.

The amount of contact between the individual considering the issue and the employee who raised the issue will depend on the nature of the matters raised; the potential difficulties involved and the clarity of information provided. If necessary, the Academy will seek further information from the employee.

The Academy accepts that the employee will need to be assured that the matter has been properly addressed and therefore the Academy will inform the employee of the steps that have been taken to resolve the matter as appropriate. Where the employee has raised concerns in writing, then the Academy should confirm their course of action in writing also.

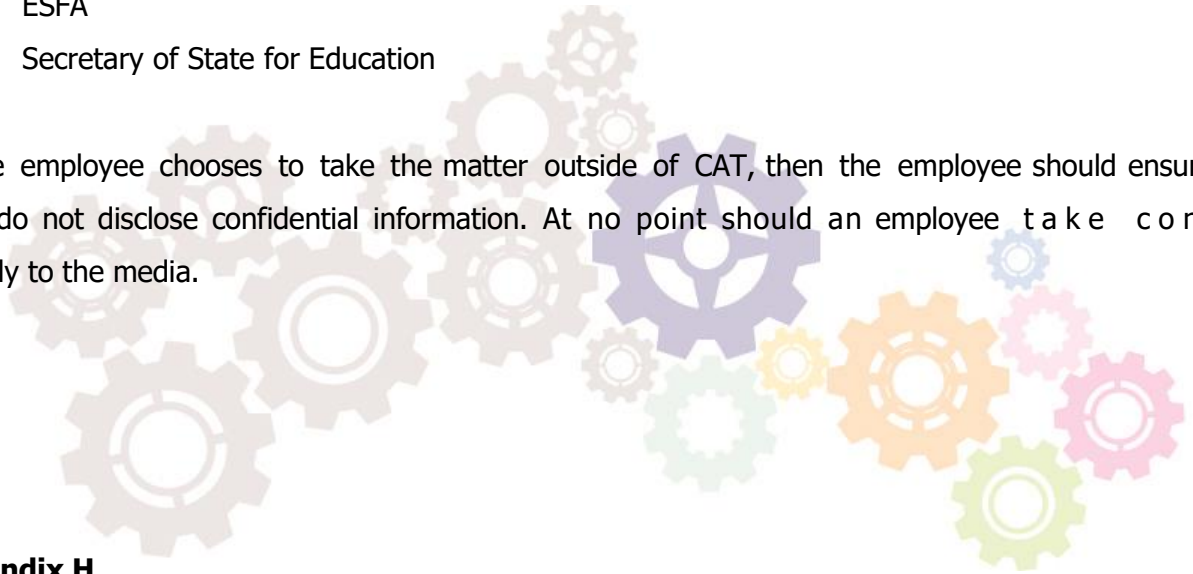
How the matter can be taken further

The aim of this policy is that employees should be able to raise concerns internally and it is hoped that the employee will be satisfied with any action taken. If this is not the case, then they may confidentially raise their concerns to the CAT Board of Trustees via the CAT Clerk to the Board. If the employee wishes to take the matter outside of the organisation then the following are possible contact points:

- public concern at work

- audit commission
- a relevant trade union
- Citizens Advice Bureau
- relevant professional bodies
- regulatory organisations
- local police
- ESFA
- Secretary of State for Education

If the employee chooses to take the matter outside of CAT, then the employee should ensure that they do not disclose confidential information. At no point should an employee take concerns directly to the media.



Appendix H

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 Academy, 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 annually 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 Academy 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 and the net book values

Grants

Funds given to the Academy 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 academies. It is not exhaustive and other categories may be added but only with the approval of the Director of Operations.

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.

CAT 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.

Vehicles and Equipment

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

Computer Equipment and Software

Cost of the computer hardware used throughout the Academy 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 the stated limit for its category (see 4.7 Capitalisation limits), should be identified and flagged as a fixed asset. The asset should be recognised on the Academy 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 CAT 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 £500 or £250 if IT equipment, unless purchased in bulk as part of a capital project.

Costs of staff training as part of normal business activities Administration or 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 of the Academy

Revaluation of Fixed Assets

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

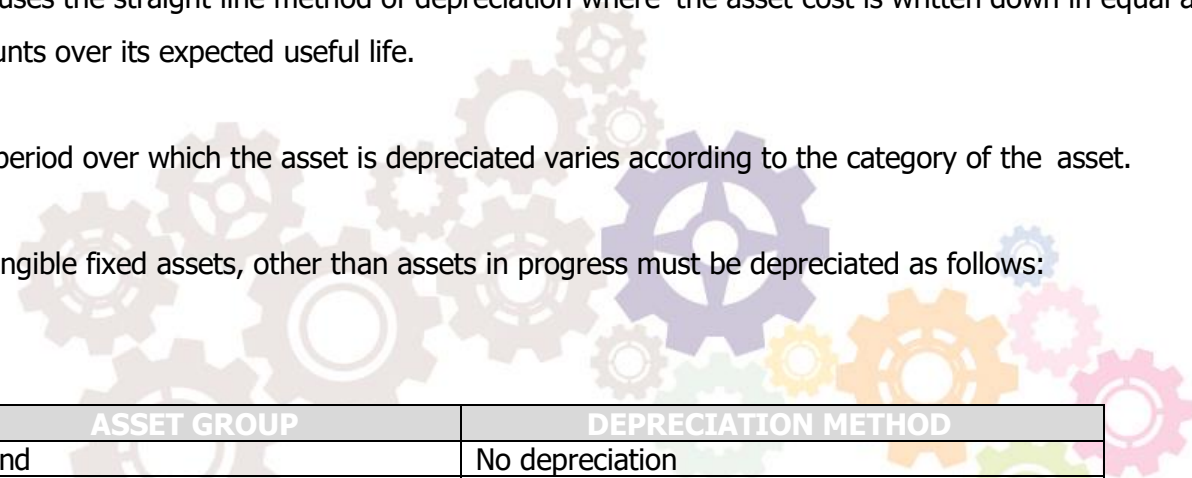
Depreciation

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

CAT 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:



ASSET GROUP	DEPRECIATION METHOD
Land	No depreciation
Buildings and Building	2% (50 yrs) Straight line
Plant and Machinery	20% (5 yrs) Straight line with nil residual
Furniture and Equipment	10% (5yrs) Straight line with nil residual
Computer Equipment and Software	25% (4 yrs) Straight line with nil residual
Assets Under Construction	These are not depreciated until the asset is brought into use
Motor Vehicles / Minibuses	20% (5 yrs) Straight line with nil residual

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.

CAT 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.

CAT 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.

CAT must ensure that any disposal maintains the principles of regularity, propriety and value for money. This may involve public sale where the assets have a residual value.



Internal Review

The Academy fixed asset register must be formally checked to the assets held at least once a year by the Academy Business Manager and checked and approved by a member of the LGB.

Appendix I

Gifts and Hospitality Policy

Cheshire Academies Trust is committed to the highest level of integrity, honesty and accountability in all its business dealings. All trustees, staff and governors are expected to maintain high standards of propriety and professionalism in all their dealings, ensuring they are free from any conflict of interest through their business in the name of CAT and their Academy.

Definitions

A Gift is any item or service which is received free of charge; or personally offered at a discounted rate or on terms not available to the general public.

Hospitality is the offer of food, drink, accommodation or entertainment or the opportunity to attend any cultural or sporting event not available to the general public.

Prevention of Fraud and Bribery Act 2010

makes it a criminal offence to:

- Offer, promise or give a bribe,
- Request, agree to or accept a bribe,
- (by an organisation) fail to prevent bribery by those acting on its behalf ('associated persons') to obtain or retain business or a business advantage for the organisation.

Under this act, a bribe is 'a financial or other advantage' offered, promised or given to induce a person to perform a relevant function or activity improperly, or reward them for doing so.

Policy Statement

In order to protect all adults involved with CAT and the reputation of its academies from accusations of bribery or corruption, trustees, governors and staff must take extreme care that none of their dealings, directly, or indirectly, could be deemed as a reward or benefit, in line with the Bribery act 2010. This act makes it a criminal offence.

Each Academy office should hold a Gifts and Hospitality Register.

It is common for appreciative parents and pupils to register their thanks for the work of staff throughout the year in the form of a small personal gift at maybe at Christmas time or the end of the summer term. If these are valued at less than £50 these are perfectly acceptable without reference to senior members of staff. These will not need to be added to the register.

Where a more valuable gift, benefit or service is offered which is to the good of the Academy, rather than an individual, then it must be referred to the Principal and if in the case of the Principal, to the Chair of Governors for approval within their discretion. In case of these items, if acceptable, should be added to the register.

Hospitality in the form of working lunches, coffees etc. are perfectly acceptable, and it would be appropriate to offer this to gain cordial relationships in support of good relationships with visiting staff or business colleagues. These would not be added to the register.

If a member of staff is offered a gift or hospitality whilst involved in the procurement of goods and services, tenders for work or when liaising with anyone conducting business with the Academy other than light refreshments, it is their responsibility to discuss this with the Principal before accepting such benefit. If acceptable, this would need adding to the register.

If not accepting a gift would be regarded as causing offence, (such as a sudden and unexpected gift, or one where it would cause cultural offence) the item should be accepted. The matter should then be brought to the attention of the Principal as soon as possible who may decide to return the gift, discuss it with the Chair of Governors, or/and may donate it to an Academy raffle/ fair or a charitable cause.

Examples of gifts or hospitality that should not be accepted are cash or monetary gifts; gifts or hospitality offers to a member of your family; gifts or hospitality from a potential supplier or tendered in the immediate period before tenders are invited or during the tender process.

Where a gift is received on behalf of CAT or an Academy, the gift remains the property of CAT/the Academy. All gifts/ hospitality over the value of £50 must be recorded in the Gift and Hospitality Register, whether accepted or not.

Instances of non-compliance

In the case where it is believed a member of staff, trustees or governors has not declared a gift or hospitality then a formal investigation will be instigated by the Principal/Chair of Governors/CEO. This may take the form of disciplinary procedures in the case of employees if misconduct is indicated.

Appendix J

Schedule of Freedoms and Delegations

Annex B of the Academies Financial Handbook (AFH)

This annex is not a substitute for the AFH. CAT's delegated authorities are subject to the conditions set out in section 3.11 of the AFH. Trusts under a financial notice to improve will have their delegated authorities revoked under section 1.5.9 of the AFH.

Novel and contentious	Novel and contentious transactions	ESFA agreement required
Borrowing	Bank/Sponsor Loan, overdraft	ESFA agreement required
	Credit cards (for business not personal use)	CAT has full discretion provided charges are not incurred
Leasing	Taking up a finance lease	ESFA agreement required
	Taking up leasehold on land and buildings	ESFA agreement required if lease term over 5 years
	Taking up any other lease	CAT has full discretion

	Granting a lease on land or buildings	ESFA agreement required
Write-offs and liabilities	Writing off debts and losses	ESFA consent required if transactions: <ul style="list-style-type: none"> • Exceed 1% of annual income or £45,000 individually; or • 2.5% or 5% of annual income cumulatively
	Entering into guarantees, indemnities or letters of comfort	
Special Payments	Staff severance pay	ESFA agreement required if payment exceeds £50,000
	Compensation	
	Ex-gratia payments	ESFA agreement required
Acquisition and disposal of fixed assets	Acquiring a freehold on land and buildings	ESFA agreement required
	Disposing of a freehold on land and buildings	ESFA agreement required
	Disposing of heritage assets	ESFA agreement required
	Disposal – not land and buildings	Trust has full discretion
GAG	Pooling by multi Academy	No limits (except PFI) if

	trusts	trust eligible
	GAG carry forward	No limits (except PFI) if trust eligible

Notes

Cheshire Leadership and Teaching Alliance (CLTA)

Cheshire Academies Trust comprises four primary academies and a teaching school. The teaching school is known as Cheshire Leadership and Teaching Alliance or CLTA. The Director of CLTA is David Wearing. He also the Principal at Kelsall Primary Academy.

The office of CLTA and its employed Director of Operations are based at Kelsall Primary Academy. CLTA maintains its own bank account and reports on the direction and financial position of CLTA are made directly to the Trust Board by the Principal of Kelsall Primary Academy and the CAT Director of Operations.

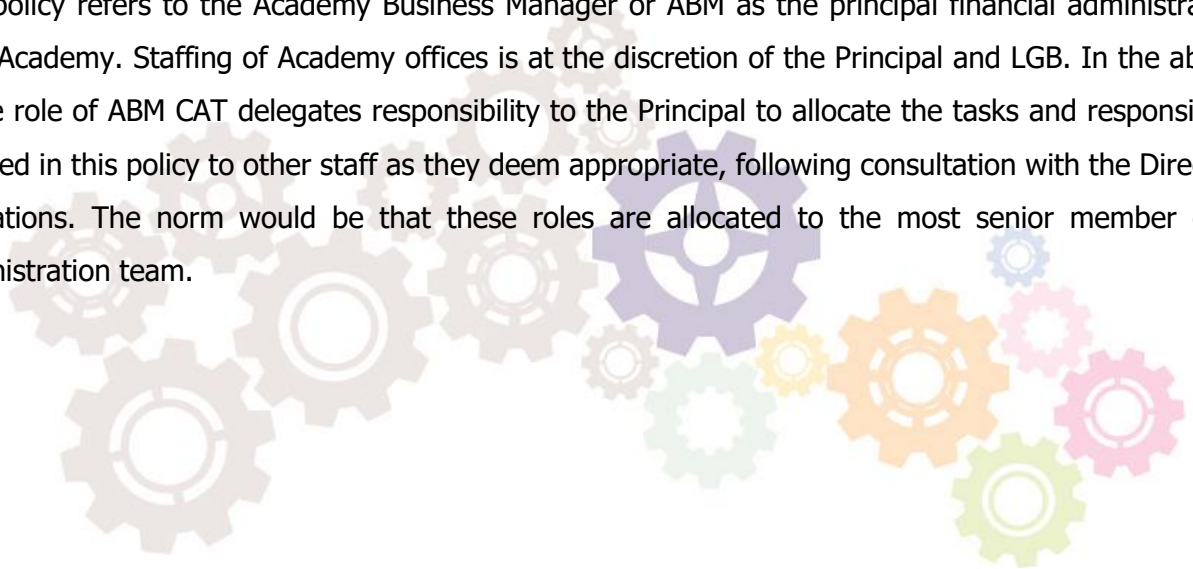
The financial administration of CLTA is fulfilled in line with this policy by the Administration staff of Kelsall Primary School. CLTA financial transactions are recorded to a separate establishment within HCSS to ensure complete separation from Kelsall Primary School accounts. The CLTA administrator is paid through the Kelsall payroll via the external payroll provider for CAT. The transaction is recharged to the CLTA on a monthly basis and an intercompany journal / interbank transfer completed to allocate the correct charges to the CLTA bank account.

Principal

This policy refers to the 'Principal'. This means the Headteacher or Principal of the Academy.

Academy Business Managers

This policy refers to the Academy Business Manager or ABM as the principal financial administrator at each Academy. Staffing of Academy offices is at the discretion of the Principal and LGB. In the absence of the role of ABM CAT delegates responsibility to the Principal to allocate the tasks and responsibilities outlined in this policy to other staff as they deem appropriate, following consultation with the Director of Operations. The norm would be that these roles are allocated to the most senior member of the administration team.



Appendix K

The Nolan Principals

The Seven Principles of Public Office

In 1994, the UK government established a Committee on Standards in Public Life. Their remit was to make recommendations to improve standards of behaviour in public life. The committee was chaired by Lord Nolan, and the first report of the committee established the seven principles of public life, also known as the “Nolan principles”. These seven principles apply to anyone who works as a public office-holder. This includes people who are elected or appointed to public office, nationally and locally, and all people appointed to work in: civil service – local government – police – courts and probation services non-departmental public bodies – health, education, social and care services and to those in other sectors that deliver public services.

The Seven Principles

Selflessness

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

Integrity

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

Objectivity

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

Accountability

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

Openness

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

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

