



Finance Policy

For the following:

Cardinal Newman Catholic Primary School
Holy Family Catholic Primary School
St Alban's Catholic Primary School
St Anne's Catholic Primary School
St Augustine's Catholic Primary School
St Charles Borromeo Catholic Primary School
St Cuthbert Mayne Primary School
St Hugh of Lincoln Catholic Primary School
St John the Baptist Secondary Catholic School
St Polycarp's Catholic Primary School
St Thomas of Canterbury Catholic Primary School
St Peter's Catholic School
Salesian Catholic Secondary School
The Marist Catholic Primary School
Teach SouthEast

This Policy should be read in conjunction with the Xavier Catholic Education Trust Finance Supplemental policies.

Policy 1	Reserves policy
Policy 2	Charging & Remissions policy
Policy 3	Lettings policy
Policy 4	Procurement & Tendering policy
Policy 5	Business Charge Card policy
Policy 6	Capitalisation & Depreciation of Assets policy
Policy 7	Acquisition and Disposal of Assets policy

This Finance Policy has been approved and adopted by the Xavier Catholic Education Trust in January 2021 and will be reviewed in January 2022.

Committee Responsible: Finance Committee

Xavier Catholic Education Trust Mission Statement

Our mission is to provide an outstanding Catholic education for all the children in our schools. We will follow the example and teachings of Christ and everything we do will be inspired by gospel values. We will strive for excellence in all areas of our work and cherish every child in our care.

Glossary of Academy Terms

- AAR Academy Accounts Return - a financial return submitted to the ESFA reflecting the Annual Financial Statements in a format appropriate for inclusion in the Whole Government Accounts
- AO Accounting Officer - the AO is responsible for compliance with the Academies Financial Handbook and Academies Accounts Direction. The individual **must** be a fit and suitable person for the role. In trusts comprising a single academy this should be the principal. In multi-academy trusts it should be the chief executive or executive principal
- AoA Articles of Association – the AoA set out the internal management, decision making and running of the academy trust and its liability. It forms an annex to the FA for each academy
- CFO The Chief Financial Officer – the CFO is the person to who the trust’s detailed financial procedures are delegated
- DfE Department for Education - The DfE is the 'principal regulator' of academies. It is responsible for ensuring there is an adequate framework in place to provide assurance that all resources are managed in an effective and proper manner and that value for money is secured
- ESFA Education and Skills Funding Agency –The ESFA is the executive agency of the DfE, who also act as the agent of the Secretary of State
- FA Funding Agreement - Legally binding document between the Academy and the DfE
- GAG General Annual Grant - main funding grant received from the ESFA
- IS Internal Scrutiny – this is a process for checking the academy trust’s financial systems, controls, transactions and risks
- MoA Memorandum of Association - the MoA sets out the name of the academy trust. It provides for details of the academy trust members under the Companies Act 2006. It forms an annex to the FA for each academy
- RPT Related Party Transactions - CPT are transactions related to the provision of goods or services by individuals or organisations connected to the academy trust
- SORP Statement of Recommended Practice - academies must comply with the Charity SORP
- SoS Secretary of State

1. Introduction and statement of intent

The purpose of this finance policy is to support the Xavier Catholic Education Trust operating with accountability and transparency, meeting the requirements of the Funding Agreement, Academies Financial Handbook, Academies Accounts Direction, Companies Act 2006 and the appropriate Charities SORP.

2. Scope and applicability

- This policy applies to all members, trustees, directors, governors and staff.
- Members of these groups involved with the financial management of the Xavier Catholic Education Trust should be familiar with the content of this policy, any related policies and procedures, The Academy Financial Handbook and The Academy Accounts Direction.
- The Xavier Catholic Education Trust accounting policies are fully aligned with Academies Financial Handbook, Academies Accounts Direction, and the appropriate Charities SORP.
All accounting transactions will be undertaken accordingly. Where there is scope/requirement for local decision making regarding any financial transactions this is indicated within the finance policy or associated policies and procedures.

3. Roles and responsibility

- All members, trustees, directors, governors and staff must adhere to the 'seven principles of public life' (see Appendix A).
- The specific roles and responsibilities of all groups of people/ individuals who carry financial and assurance responsibilities within the Xavier Catholic Education Trust are set out below.
- The DfE will be notified of any alterations to governance via **Get information about schools** on the www.gov.uk website.

3.1 Members

The members of the Xavier Catholic Education Trust are the subscribers to our Memorandum of Association, and any other individuals permitted to become members under our Articles of Association. Their powers include the authority to appoint and remove trustees. If the Trust ceases to exist they have a limited financial liability defined in the Memorandum and Articles of Association.

There may be an overlap of people being both members and trustees. This group will deal with both levels of responsibility, but a distinction between the two will be maintained to ensure that members provide oversight and challenge to the Trust.

3.2 Trustees/ Directors/ Governors

For multi-academy trusts the terms Trustee and Director are interchangeable. For the purpose of this policy, the group is referred to as the *Trustees*.

3.2.1 Trustees – Multi Academy Trust

The Board of Trustees is responsible for the proper stewardship of funds received/donated, as compatible with the terms of the articles, funding agreement or the Academy Handbook. This includes ensuring regularity, and propriety, and economy, efficiency and effectiveness in their use: the three key elements of value for money.

Trustees must have the skills, knowledge and experience to run the academy trust. They are responsible for identifying and addressing any gaps in their skills through recruitment or training.

The Trustees are also responsible for the purchase of expertise where it is deemed necessary, and for the statutory appointment of an auditor to perform an External Audit in accordance with the Audit requirements detailed in the Academy Financial Handbook.

The Trustees evidence that their responsibilities are met through:

- Review of management accounts, in accordance with the Academies Financial Handbook, ensuring that variances between budget and actual income and expenditure are understood and addressed
- Ensuring production of an Annual Report and Financial Statements in accordance with all finance policies, the Academies Financial Handbook, Academies Accounts Direction and the appropriate Charity SORP
- Benchmarking key performance indicators against similar schools
- Governance Statement within the Annual Report and Financial Statements
- Independent Reporting Accountant's Assurance Report on Regularity within the Annual Report and Financial Statements
- Production and monitoring of a Risk Register
- Internal Scrutiny reports and subsequent actions
- Minutes of meetings
- Ensuring adequate insurance cover is in place and compliant with statutory obligations

3.2.2 Governors – Multi Academy Trust

Each of the schools who are part of our Trust has a Local Governing Committee.

The Local Governing Committee is responsible for the local management of its school.

The Local Governing Committee evidence that its responsibilities are met through contribution to:

- Review of the financial monitoring reports on, as a minimum, a quarterly basis ensuring that variances between budget and actual income and expenditure are understood and addressed
- Benchmarking key performance indicators against similar schools
- Monitoring of a Risk Register
- Minutes of meetings

3.3 Risk & Audit Committee

The Xavier Catholic Education Trust Board of Trustees has appointed a dedicated Risk & Audit Committee to provide assurance over the suitability of, and compliance with, its financial systems and operational controls at all of its constituent academies. This will take into account the differing risks and complexity of its operations.

In accordance with the Academies Financial Handbook, The Audit & Risk Committee should meet at least three times a year and **must**:

- Direct the trust's programme of internal scrutiny
- Ensure that risks are being addressed appropriately through internal scrutiny
- Report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.

3.4 Accounting officer

The AO of the Xavier Catholic Education Trust must have the skills, knowledge and experience to run the trust. The AO serves as the Chief Executive Officer, and is an ex-officio board member.

The AO has a personal responsibility to Parliament and to the Accounting Officer of the ESFA for the resources under the trust's control. The Accounting Officer is able to assure Parliament and the public of high standards of probity in the management of public funds, particularly:

- To ensure value for money to achieve the best possible educational outcomes through the economic, efficient and effective use of resources
- To ensure regularity when dealing with all items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement and compliance with the trust's internal procedures
- To ensure propriety, the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of parliamentary control
- To complete and sign a statement on regularity, propriety and compliance each year and submit this to ESFA with the audited accounts
- Demonstrating how the trust has secured value for money via the governance statement in the audited accounts
- To take personal responsibility for assuring the board that there is compliance with the Financial Academies Handbook and the funding agreement
- To advise the board in writing if the board appears to be failing to act where required to do so by the terms and conditions of the policy or funding agreement. If the accounting officer considers that the action proposed by the board is in breach of the articles, the funding agreement or this policy, the accounting officer will notify the ESFA's accounting officer immediately, and in writing

3.5 Chief Financial Officer

The CFO has both a technical and leadership role, including ensuring sound and appropriate financial governance and risk management arrangements are in place, preparing and monitoring of budgets, and ensuring the delivery of annual accounts. The CFO must be appropriately qualified and/or experienced.

3.6 Clerk to the board

The trust must appoint a clerk to support the board of trustees who is someone other than a trustee, principal or chief executive of the trust.

3.6 All staff members

All staff members are:

- appropriately qualified and/or experienced
- responsible for:
 - the security of academy property
 - avoiding loss or damage
 - ensuring economy and efficiency in the use of resources
 - conforming with the requirements of the academy's financial policies and procedures

- reporting any misuse of academy property or resources to their line manager

4. Governance and financial oversight

- The Board of Trustees has approved a written:
 - scheme of delegation of financial powers that ensures appropriate separation of duties – Appendix C
 - internal control framework/financial procedures that support the maintenance of robust internal control arrangements and full and accurate accounting records
- The Xavier Catholic Education Trust has appointed a Finance committee to which the Board delegates financial scrutiny and oversight, and which can support the board in maintaining the trust as a going concern

4.1 Internal Control

The Xavier Catholic Education Trust has established a control framework that recognises public expectations about governance, standards and openness.

The internal control framework includes: (Annexes and associated policies indicated where they support the internal control framework/procedures):

- co-ordinating the planning and budgeting processes
- applying discipline in financial management, including managing banking, debt and cash flow, with appropriate segregation of duties – Appendices B,C
- preparation of monthly management accounts
- ensuring that delegated financial authorities are respected - Appendix C
- effective planning and oversight of any capital projects - Procurement and Tendering Policy/Internal Control Framework
- the management and oversight of assets – Acquisition and Disposal of Assets Policy
- the propriety and regularity of financial transactions – Appendix B
- reducing the risk of fraud and theft – Whistleblowing Policy
- ensuring efficiency and value for money in the organisation's activities - Procurement and Tendering Policy
- a process for independent checking of financial controls, systems, transactions and risks - Programme of internal scrutiny works informed by the Risk Register

5. Financial Planning

The Xavier Catholic Education Trust has prepared financial plans to secure the short-term and long-term financial sustainability of the academy. A balanced budget for all funds, which can draw on unspent funds brought forward from previous years, will be submitted to the ESFA annually in line with the ESFA timeline and following their template.

The Board of Trustees will notify the ESFA within 14 days if it is formally proposing to set a deficit revenue budget for the current financial year which it is unable to address, after unspent funds from previous years are taken into account.

Evidenced by:

- Minutes of meetings
- The submission of the annual budget, informed by the School Development Plan and approved by the Board of Trustees to the ESFA (Revenue & Capital)
- The submission of a three year budget plan, informed by the School Development Plan, to the Board of Trustees (Revenue & Capital)
- Cash flow statement submitted to Trustees

5.1 Managing Surplus General Annual Grant/Reserves

- The Xavier Catholic Education Trust funding is based on pupil census data.
- The Xavier Catholic Education Trust is committed to using its allocated GAG funding for the full benefit of current pupils.
- Any surplus balances, apart from any contingency of a maximum of 2% of GAG funding, will be supported by a clear plan for their use in the near future to the benefit of pupils.
- This plan is detailed in the Reserves Policy and is integrated with the budget plans to support the short-term and long-term financial sustainability of the academy.

5.2 Investments

- The Board of Trustees may invest to further their Trust's charitable aims, but will ensure that investment risk is properly managed. When considering making an investment, the Board of Trustees will only act within their powers to invest as set out in the Xavier Catholic Education Trust articles of association.
- Xavier Catholic Education Trust will ensure that security of funds and accessibility of funds take precedence over revenue maximisation.

6. Income Generation

- The Xavier Catholic Education Trust sets fees for its chargeable services at full cost, and only applies an additional rate of return when in a commercial environment.
- Fees and charges for the cost of public services to other Government funded companies or bodies will be determined at full cost as per annex 6.1 of HM Treasury's Managing Public Money.

6.1 Charging and Remissions

The Xavier Catholic Education Trust has a policy in place for Charging and Remissions to cover items such as classroom sales, trips and activities in line with the DFE guidance for maintained schools.

6.2 Lettings

The Xavier Catholic Education Trust has a policy in place to govern Lettings. The policy is a statement of the aims, principles and strategy used for dealing with lettings at the Xavier Catholic Education Trust.

7. Procurement and Tendering

- The Xavier Catholic Education Trust has a policy in place for procurement and tendering that reflects the DFE, and EU Public Sector Procurement, low, medium and high level procurement procedures.
- The Procurement and Tendering policy includes appropriate guidance and the details of any appropriate approvals required regarding any operating lease arrangements that may be considered during a procurement process.

7.1 Contract management

- All contracts are listed with the relevant expiry dates.
- The Xavier Catholic Education Trust review this annually when the budget is set to determine which contracts are due for renewal in the coming year.
- This supports a timely, appropriate procurement process that affirms the aims of economy, efficiency, and effectiveness.

7.2 Leases

- The Xavier Catholic Education Trust is aware that it may only enter into Operating Leases, eg, rental agreements
- The Xavier Catholic Education Trust will ask for the Secretary of State's consent if it wishes to:
 - take out a finance lease on any class of asset for any duration from another party, as this would represent borrowing;
 - take up a leasehold or tenancy agreement on land or buildings from another party for a lease term of more than five years
 - grant a leasehold or tenancy agreement on land or buildings to another party for a lease term of more than five years.

7.3 Borrowing

- The Xavier Catholic Education Trust is aware that it must seek the ESFA's prior approval for borrowing (including finance leases and overdraft facilities) from any source where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, and regardless of the interest rate chargeable.
- Business charge cards will only be used for business (not personal) expenditure, and balances cleared before interest accrues – Business Charge Card Policy
- The Xavier Catholic Education Trust is aware that the Secretary of State's general position is that academy trusts will only be granted permission for borrowing in exceptional circumstances. However that, from time to time, the Secretary of State may introduce limited schemes in order to meet broader policy objectives, for example the Department's Condition Improvement Fund for capital projects, and the Salix scheme designed to support energy saving which will be applied for as appropriate.

8. Related Party Transactions

Related Party Transactions are goods or services provided by individuals or organisations connected to the academy trust. In order to ensure that there can be no real or perceived conflicts of interest the Xavier Catholic Education Trust, in accordance with the Academies Financial Handbook, will pay no more than 'cost' for goods or services ('services' do not include services provided under a contract of employment) provided to it by a related party.

The ESFA's Academies Accounts Direction sets out that, for academy trusts, related parties include;

- Parties with control over, or controlled by, the entity (for example parent and subsidiary companies)
- Parties having significant influence over the entity
- Key management personnel of the entity, including any director, whether executive or other wise
- Close family members (a definition of a close family member is included in the glossary FRS102)
- Others subject to control or significant influence by any individual referred to above.

Accounting standards require transactions between related parties to be disclosed in company financial statements as related party transactions. Such transactions are permitted under company law, charity law and under the Academies Financial Handbook provided that open and transparent procurement procedures have been followed and any potential conflicts of interest are adequately and appropriately managed.

The trust will comply with the requirements of the Academies Financial Handbook which requires the reporting of contracts and together agreements with related parties in advance of the contract or agreement taking place using the ESFA's on line form for contracts and agreements made on or after 1 April 2020.

The trust must obtain the ESFA's prior approval where an individual or cumulative contract or service exceeds £20,000. This does not include salaries and other payments made by the trust to a person under a contract of employment through the trusts' payroll.

Whilst these provisions do not apply to contracts of employment, the same principles of securing value for money and using public money properly, including managing conflicts of interest, will still apply. Salaries paid should be appropriate to the individual's skills and experience and the salary rates paid in the wider market.

Should any staff/personnel of an individual, or organisation connected to a member or trustee of the Trust be based in, or work from the premises of, the academy trust, that individual/ organisation and the Trust will agree an appropriate sum to be paid to the Trust for such use/occupation of the premises, save to the extent that they are carrying out work for the Xavier Catholic Education Trust.

The academy trust keeps a register of interest that captures relevant business and pecuniary interests of members, trustees, Local Governors of the schools within the Trust and senior employees. This will include the Accounting Officer if appropriate. This document is reviewed on a regular basis and published on the Trust's website. The Charity Commission's guidance *CC29 Conflicts of interest: a guide for charity trustees* is utilised to ensure that this is completed appropriately.

8.1 At Cost/Full Cost – Definition for provision or receipt of goods and services

For these purposes, the cost will be the 'full cost' of all the resources used in supplying the goods or services. Full cost includes:

- all direct costs (the costs of any materials and labour used directly in producing the goods or services)
- indirect costs (comprising a proportionate and reasonable share of fixed and variable overheads)

Full cost will not include an element of profit.

Full cost for the provision of public services to other Government funded institutions will be determined as per annex 6.1 of HM Treasury's Managing Public Money.

8.2 De Minimis for "At Cost/Full Cost" transactions

The 'at cost' requirement applies to contracts for goods and services from a connected party exceeding £2,500 cumulatively in any one financial year of the Trust. For these purposes, where a contract takes the Trust's cumulative annual total with the connected party beyond £2,500, the element above £2,500 must be at no more than cost.

8.3 Professional services

In relation to organisations supplying legal advice or audit services to the Xavier Catholic Education Trust, the 'at cost' requirement applies where the organisation's partner directly managing the service, is a member or trustee of the Trust but not in other cases for those organisations. The published ethical standards for auditors also prevent partners or employees of the audit firm from acting as a trustee of their client trust, but not of other trusts.

8.4 Documentation

The Xavier Catholic Education Trust will ensure that any agreement with an individual or organisation connected to a member or trustee, as defined above, to supply goods or services to the Trust, is properly procured through an open and fair process and is:

- supported by a statement of assurance from that individual or organisation to the Trust confirming that their charges do not exceed the cost of the goods or services, and
- on the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply

8.5 Governor Allowances

The Xavier Catholic Education Trust will reimburse Trustees/Governors for actual costs incurred in carrying out their duties.

9. Novel and/or contentious transactions

Novel payments or other transactions, are those of which the Xavier Catholic Education Trust has no experience, or are outside the range of normal business activity for the Trust. Contentious transactions are those that might give rise to criticism of the Trust by Parliament and/or the public and/or the media. The Board of Trustees for explicit prior authorisation will always refer novel and/or contentious transactions to the ESFA.

10. Delegated Authority – Special payments to staff

10.1 Staff severance payments

If the Xavier Catholic Education Trust is considering making a staff severance payment above the statutory or contractual entitlements, the Board of Trustees will consider the following issues:

- Whether the proposed payment is in the interests of the Trust
- Whether the payment is justified, based on a legal assessment of the chances of the Xavier Catholic Education Trust successfully defending the case at employment tribunal. This is relevant because if there is a significant prospect of losing the case then a settlement may be justified, especially if the costs incurred in maintaining a defence are likely to be high. Where a legal assessment suggests that the trust is likely to be successful, a settlement will not be offered.
- If the settlement were considered to be justified, then the Board of Trustees would need to consider the level of settlement. This must be less than the

legal assessment of what the relevant body (eg, an employment tribunal) is likely to award in the circumstances.

Staff severance payments will not be made where they could be seen as a reward for failure, such as gross misconduct or poor performance. The only acceptable rationale in the case of gross misconduct would be where legal advice is that the claimant is likely to be successful in an employment tribunal claim because of employment law procedural errors. In the case of poor performance, an acceptable comparison would be the time and cost of taking someone through performance management and capability procedures.

The academy trust has delegated authority to approve individual staff severance payments provided any non-statutory/non-contractual element is under £50,000 gross (ie before income tax or other deductions). Where the trust is considering a non-statutory/non-contractual payment of £50,000 or more, (gross, before deductions), ESFA's prior approval **must** be obtained before making any binding offer to staff. ESFA will refer such transactions to HM Treasury.

The Xavier Catholic Education Trust trustees are aware that the following schedule of delegation applies to severance payments and will not operate outside this guidance:

Statutory/contractual payment	Non-statutory/non-contractual payment	ESFA prior approval required.
£30,000 +	£30,000 +	No
£60,000 +	£30,000 +	No
£30,000 +	£50,000 +	Yes – for £50,000

10.2 Compensation payments

The Xavier Catholic Education Trust will make appropriate compensation payments to provide redress for loss or injury, for example: personal injuries; traffic accidents; or damage to property. If the Board of Trustees is considering making a compensation payment, it will base its decision on a careful appraisal of the facts, including legal advice where relevant, and ensure that value for money will be achieved.

The Xavier Catholic Education Trust is aware that, as for severance payments, it has delegated authority to approve individual compensation payments provided any non statutory/non-contractual element is under £50,000. Where the Trust is considering a non-statutory/non-contractual payment of £50,000 or more, ESFA's prior approval **must** be obtained.

Where a compensation payment has been necessitated by an event that reveals concerns about the effectiveness of internal control systems, the Board of Trustees will take any necessary steps to put failings right.

10.3 Ex gratia payments

Ex gratia payments are a type of transaction that goes beyond statutory or contractual cover or administrative rules, eg, payments to meet hardship caused by official failure or delay, and payments to avoid legal action on the grounds of official inadequacy.

Ex gratia transactions will always be referred to the ESFA by the Board of Trustees for prior authorisation.

10.4 Gifts and Hospitality

The Xavier Catholic Education Trust has a policy in place for the acceptance of Gifts and Hospitality. This includes a register on the acceptance of gifts, hospitality,

awards, prizes or any other benefit that might be seen to compromise the staff's personal judgement or integrity; and ensures that all members of staff are made aware of this.

When giving gifts, the trust ensures that the value of the gift is reasonable, is within the limits stated in the Gifts and Hospitality policy, the decision is fully documented, and has due regard to propriety and regularity in the use of public funds.

11. Fixed Assets Accounting

Details of all Fixed Assets are recorded in the Fixed Asset Register. The Fixed Asset Register consists of a list of high value items (or specific group of items) purchased within the accounting period that are considered to have a life longer than the financial year in which they were purchased. For individual items any asset with a purchase value of £5,000 will be capitalised and capital projects with a value of £25,000. The Capitalisation and Depreciation of Assets Policy provides further details together with the useful economic life of assets and levels of depreciation.

Attractive and portable items of equipment that fall below the capitalisation limit of £5,000 are recorded on the Fixed Asset Inventory. Asset control is as for the assets held on the Fixed Asset Register.

Disposal of fixed assets are governed by the Acquisition Disposals of Assets Policy

12. Accounting Adjustments

The Xavier Catholic Education Trust prepares accruals accounts, giving a true and fair view of the trust's use of resources, in accordance with existing accounting standards and the Charities SORP 2015.

Prepayments and accruals are recorded on a monthly basis where the effect of not doing so would distort the management accounts in a material manner. All other accounting adjustments are reflected at year end.

The materiality limit for Accruals, Pre-Payments crossing financial reporting periods to the ESFA is £500.

13. Retention of Finance and Payroll Records

All records relating to the Financial Management of the Xavier Catholic Education Trust are retained in line with the Information and Records Management Society "Records Management Toolkit for Schools" and the Records Management Policy contained within this.

14. Whistleblowing

The Xavier Catholic Education Trust has a policy in place for whistleblowing and ensures that all staff are aware to whom they can report their concerns, and the way in which such concerns will be managed.

15. Risk Management

The Xavier Catholic Education Trust has made a considered choice about its desired risk profile, taking account of its legal obligations, business objectives and public expectations. It has recognised and is managing present and future risks to ensure continued and effective operation. Where reasonable recommendations are made by risk auditors these will be addressed by the trust.

Appendix A

Committee on Standards in Public Life

The 7 principles of public life

1. Selflessness

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

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organizations 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.

3. Objectivity

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

4. Accountability

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

5. Openness

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

6. Honesty

Holders of public office should be truthful.

7. 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.

<https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-ofpublic-life--2>

Appendix B

Internal Control Document;

CENTRAL: XAVIER PERIOD END PROCEDURES FOR PSF; Fin Year: Sept 20-Aug 21

XAVIER CATHOLIC EDUCATION TRUST

*Exec Headteacher to sign docs marked with asterisk**

Tick when
complete

1	MAT location: If applicable : Complete payroll reconciliation: match payroll actuals to salary profiles. Raise any queries regarding identified variances to profile spend with Payroll.	Use payroll reports to complete salary calculator profiles. Ensure the total current month actuals from salary calculators equals the total current month payroll report.	
2	MAT location: Purchase Ledger: complete all purchase ledger transactions for MAT eg, record invoices, pay cheques etc. Invoices to be pre-paid at time of input if applicable. Income to be deferred to be input at time of input if applicable.	Either through Modules >My Portal or in Accounting: can add document, choose type e.g. Non Order Purchase Invoice,	
3	MAT location: Check outstanding orders eg check o/s orders awaiting authorisation, clear orders that have been received and paid for without reconciling to the system order, chase receipt/invoices for outstanding orders	Select modules > reporting suite > outstanding purchase orders by supplier,	
4	MAT location: Petty Cash – enter any petty cash transactions	Click on “Add Document”, Choose Petty Cash Transaction	
5	Steps 1 to 5 to be completed by 4th of month / as per MAT timetable	MAT to raise access levels to 4 on scheduled date to prevent further orders and invoice items being raised in the period by those at level 3 or as per sys admin level structure	
6	MAT location: Reconcile Trade Debtors control account * If you are not using the sales ledger/debtors functionality then you should be keeping a schedule of current debtors indicating the dates that the invoice was raised and the	Run an aged debtor report (in Modules> Reporting Suite) and ensure that it matches with the trade debtors balance on the Trial Balance. You will need to investigate and note explanations for any debtors more than 30 days old.	

	number of days between this date and the end of the period being closed.		
7	MAT location: Reconcile Trade Creditor control account *	Run an aged creditor report (in Modules> Reporting Suite) and ensure that it matches with the trade creditors balance on the Trial Balance and Statements issued by Creditors. You will need to investigate and note explanations for any creditors more than 30 days old.	
8	MAT location: Record current month Income and Expenditure for funds recorded outside of PSF as per procedures if applicable	Eg, School Fund, Governors funds and any other funds Income and Expenditure to be recorded method agreed and advised by accountant	
9	<p>MAT location: for every Bank Account record transactions.</p> <p>Record & Post valid direct debits, interest and payroll entries.</p> <p>If applicable: Payroll entries - Dr payroll control account (9525) - Cr bank account with total net wages for staff this month made by BACS. Dr relevant payroll control account (9530, 9535, 9550) -Cr bank for payments made to HMRC/pensions relating to previous month.) These should be posted in the period they are paid.</p> <p>VAT Reimbursement from MAT: Cr Intra Company (9515) – Dr bank account.</p>	<p>To add transactions e.g. Direct Debits choose</p> <p>Add document</p> <p>Relevant Document type e.g. nominal receipt, direct debit, BACS payment</p> <p>Bank – enter bank account number from bank statement</p> <p>MAT location: If applicable: Post business charge card statement entries*</p>	
10	<p>MAT location: For every Bank Account -Reconcile Bank Statement.*</p> <p>Ensure Bank Statement & financial software reconcile</p> <p>Print Report for each Bank Statement.*</p>	<p>Complete the bank reconciliation: Create bank statement in Lloyds Bank online and import to PSF as per instructions</p> <p>Use one of the below methods to reconcile the bank accounts (see attached detailed notes)</p> <ul style="list-style-type: none"> • Manual • Auto Match with manual checks 	

	<p>Print unreconciled transaction listing, check for entries over 2 months old and investigate. *</p> <p>Print an STB and reconcile bank balance – ensure that the closing statement balance adjusted by the unreconciled transactions reconciles to the Bank Balance indicated on the STB</p>	<ul style="list-style-type: none"> • Auto Match without checks 	
11	<p>MAT location: If applicable : Post Payroll Journal</p> <p>Ensure that cumulative nominal ledger expenditure reconciles to the salary calculator.</p>	<p>Select Add Document >Payroll Journal: Dr salary expense codes for gross salaries, employers NI and employers SA - Cr relevant Payroll control account (9525, 9530, 9535, 9550)</p>	
12	<p>MAT location: Post monthly accounting adjustments e.g. accruals, deferred income, and prepayments in line with your finance policy. Detail of any adjustments that will cross the financial year should be added to a schedule.</p>	<p>Select Add document, select relevant journal type e.g. accruals, the journal header will ask you to select the reversal details,</p> <p>Complete all relevant entries</p>	
13	<p>MAT location: Run Summary Trial Balance, by Ledger Code.</p>	<p>Either in Favourites or Options (choose relevant period, hide columns you don't need)</p>	
14	<p>MAT location: Balance all payroll control accounts - note all differences.</p>	<p>Attach balanced payroll sheet to payroll report* your balance should be the outstanding NI and Pensions which will be paid in the following month.</p>	
15	<p>MAT location: Check all other Balance Sheet accounts that have balances on and confirm they are correct eg paying in slip control</p>	<p>Print details of accounts to confirm balances</p>	
16	<p>MAT location: Check Hold and Reg Reg for items that need correcting</p>	<p>Document Enquiry, all Document types, Period Reg Reg</p> <p>Document Enquiry, all Document types, check Hold database</p>	
17	<p>MAT location: Run and print VAT 126 report *</p>	<p>Reporting Suite, VAT 126 report, choose correct period, school VAT code</p>	
18	<p>MAT location: Check VAT report</p>	<p>Review VAT report for missing VAT numbers or descriptions. Ensure no errors.</p>	

19	Present forms marked * above to the Exec Headteacher for checking and signature.		
MAT	Steps 6 to 19 to be completed by 12th of the month in line with MAT timetable. To prepare the VAT accounting and to close current VAT and complete all accounting and close accounting periods	CENTRAL MAT to raise access levels on scheduled date Will require to a raise to level 7+	
20	CENTRAL Function: complete VAT accounting and accounting by 17th of month Fixed Asset accounting – depreciation as advised per finance procedures	Complete VAT 126 accounting across the schools. Prepare and submit the claim for current period. Close VAT period and ensure future periods are open as per finance procedures. Complete other MAT inter-company review and postings as required	
21	CENTRAL : Run final Summary Trial Balance, by Ledger Code	Review STB Retain in period end file	
22	CENTRAL : Raise accounting access level to 9 to close the accounting period	Once completely satisfied with period end raise access level to 9 to prevent postings to historical periods.	
23	After 17 th of the month	Advise schools period end closure and completion of checklist to commence	
24	Run a Financial Monitoring Report. CFR or Management Accounts from the Reporting Suite could be utilised.	Run your agreed monitoring report, and update your projected outturn to reflect any changes since the last period end. Check the validity of above report by matching to the income and expenditure balance on your Trial Balance.	
25	CENTRAL Produce a Balance Sheet*	Review Balance Sheet	
26	CENTRAL Produce a Cash Flow* Ensure that sufficient cash to cover planned expenditure by comparing the forecast bank balance from the budget tool and the actual bank balance.	Review Cash Flow Select Modules> Cash Flow. Produce notes regarding variances if appropriate.	

Work completed by: _____

Signature & Date: _____

Appendix B

XAVIER PERIOD END PROCEDURES FOR PSF; Fin Year: Sept 20-Aug 21

XAVIER CATHOLIC EDUCATION TRUST – TEACH SOUTHEAST

Exec Headteacher to sign docs marked with asterisk*

Tick when
complete

1	Teach SouthEast location Purchase Ledger: complete all purchase ledger transactions for MAT e.g. record invoices, pay cheques etc. Invoices to be pre-paid at time of input if applicable. Income to be deferred to be input at time of input if applicable.	Either through Modules >My Portal or in Accounting: can add document, choose type eg, Non Order Purchase Invoice,	
2	Teach SouthEast location: Check outstanding orders eg check o/s orders awaiting authorisation, clear orders that have been received and paid for without reconciling to the system order, chase receipt/invoices for outstanding orders	Select modules > reporting suite > outstanding purchase orders by supplier,	
3	Steps 1 to 2 to be completed by 4th of month / as per MAT timetable	MAT to raise access levels to 4 on scheduled date to prevent further orders and invoice items being raised in the period by those at level 3 or as per sys admin level structure	
4	Teach SouthEast location: Reconcile Trade Debtors control account If you are not using the sales ledger/debtors functionality then you should be keeping a schedule of current debtors indicating the dates that the invoice was raised and the number of days between this date and the end of the period being closed.	MAT Trust Accountant will run an aged debtor report (in Modules> Reporting Suite) and ensure that it matches with the trade debtors balance on the Trial Balance. Trust Accountant will highlight debtors relating to the Teach SouthEast and send to you. You will need to investigate and note explanations for any Teach SouthEast debtors more than 30 days old, and send back to the Trust Accountant.	
5	Teach SouthEast location Reconcile Trade Creditor control account	Trust Accountant will run an aged creditor report (in Modules> Reporting Suite) and ensure that it matches with the trade creditors balance on the Trial Balance and Statements issued by Creditors. Trust Accountant will highlight creditors relating to the Teach SouthEast and send to you. You will need to investigate and note explanations for any creditors more than 30 days old, and send back to the Trust Accountant.	

6	<p>Teach South East location: for every Bank Account record transactions.</p> <p>Record & Post valid direct debits, interest and payroll entries.</p> <p>If applicable: Payroll entries - Dr payroll control account (9525) - Cr bank account with total net wages for staff this month made by BACS. Dr relevant payroll control account (9530, 9535, 9550) - Cr bank for payments made to HMRC/pensions relating to previous month.) These should be posted in the period they are paid.</p> <p>VAT Reimbursement from MAT: Cr Intra Company (9515) – Dr bank account.</p>	<p>To add transactions e.g. Direct Debits choose</p> <p>Add document</p> <p>Relevant Document type e.g. nominal receipt, direct debit, BACS payment</p> <p>Bank – enter bank account number from bank statement</p> <p>If applicable: Post purchasing card statement entries*</p>	
7	<p>Teach SouthEast location For every Bank Account - Reconcile Bank Statement.*</p> <p>Ensure Bank Statement & financial software reconcile Print Report for each Bank Statement.*</p> <p>Print unreconciled transaction listing, check for entries over 2 months old and investigate. *</p> <p>Print an STB and reconcile bank balance – ensure that the closing statement balance adjusted by the unreconciled transactions reconciles to the Bank Balance indicated on the STB</p>	<p>Complete the bank reconciliation: Create bank statement in Lloyds Bank online and import to PSF as per instructions</p> <p>Use one of the below methods to reconcile the bank accounts (see attached detailed notes)</p> <ul style="list-style-type: none"> • Manual • Auto Match with manual checks • Auto Match without checks 	
8	<p>Teach SouthEast location: Post monthly accounting adjustments e.g. accruals, deferred income, and prepayments in line with your finance policy. Detail of any adjustments that will cross the financial year should be added to a schedule.</p>	<p>Select Add document, select relevant journal type e.g. accruals, the journal header will ask you to select the reversal details,</p> <p>Complete all relevant entries</p> <p>Send summary analysis of accruals and prepayments to Trust Accountant.</p>	
9	<p>Teach SouthEast location if applicable: Check all other Balance Sheet accounts that have balances on and confirm they are correct eg paying in slip control</p>	<p>Trust Accountant will review the Trial Balance for all Balance Sheet accounts and will request that you provide details to confirm balances.</p>	

10	Teach SouthEast location: Check Hold and Reg Reg for items that need correcting	Document Enquiry, all Document types, Period Reg Reg Document Enquiry, all Document types, check Hold database	
11	Present forms marked * above to the Exec Headteacher for checking and signature.		
M A T	Steps 4 to 11 to be completed by 12th of the month in line with MAT timetable.	CENTRAL MAT to raise access levels on scheduled date to level 7+.	
12	Run a Financial Monitoring Report. CFR or Management Accounts from the Reporting Suite could be utilised (to view Teach South East only figures, select MAT location, deselect the Central costing type).	Run the Teach South East CFR, and review the report to identify errors and check for reasonableness.	

Work completed by: _____

Signature & Date: _____

Appendix B

XAVIER PERIOD END PROCEDURES FOR PSF; Fin Year: Sept 20 - Aug 21

SCHOOL NAME: _____

Tick when
complete

Headteacher to sign docs marked with asterisk*

1	Complete payroll reconciliation: match payroll actuals to salary profiles.	Import the payroll report * into HCSS and reconcile the payroll actuals to forecast/budget. Note explanations for variances on the payroll reconciliation report *, and raise any queries with the Payroll Team.	
2	Post the payroll journal. Ensure that cumulative nominal ledger expenditure reconciles to the salary calculator.	Select Add Document >Payroll Journal: Dr salary expense codes for gross salaries, employers NI and employers SA - Cr relevant Payroll control account (9525, 9530, 9535, 9550)	
3	Balance all payroll control accounts - note all differences.	Attach balanced payroll sheet to payroll report* your balance should be the outstanding NI and Pensions which will be paid in the following month.	
4	Purchase Ledger: complete all purchase ledger transactions e.g. record invoices, pay cheques etc. Invoices should be pre-paid at time of input if applicable – seek advice from MAT if not sure.	Either through Modules >My Portal or in Accounting: can add document, choose type eg, Non Order Purchase Invoice.	
5	Check outstanding orders e.g. check o/s orders awaiting authorisation, clear orders that have been received and paid for without reconciling to the system order, chase receipt/invoices for outstanding orders	Select modules > reporting suite > outstanding purchase orders by supplier	
6	Raise and send all intercompany sales invoices and post all intercompany purchase invoices. Agree intercompany debtors and creditors month end balances, held within the purchase and sales ledgers.	Intercompany invoices are invoices to any other school in the MAT or the MAT central location. These are posted into the purchase or sales ledger. Make sure all invoices/credit notes are posted in the current month. Confirm each month end intercompany debtor and creditor balance with the relevant school. Post any outstanding invoices so that the balances between the schools agree (apart from	

		any cash that may be "in transit" at the month end).	
7	Petty Cash – enter any petty cash transactions	Click on "Add Document", Choose Petty Cash Transaction	
	Steps 1 to 7 to be completed by 4th of month / as per MAT timetable	MAT will raise access levels on scheduled date to prevent further orders and invoice items being raised in the period by those at level 3	
8	<p>For every bank account record transactions.</p> <p>Record & post valid direct debits, interest and payroll entries.</p> <p>Payroll entries:-</p> <ul style="list-style-type: none"> • Dr payroll control account (9525) - Cr bank account with total net wages for staff this month made by BACS. • Dr relevant payroll control account (9530, 9535, 9550) - Cr bank for payments made to HMRC/pensions relating to previous month.) <p>These should be posted in the period they are paid.</p> <p>VAT Reimbursement from MAT: Cr Intra Company (9515) – Dr bank account.</p>	<p>To add transactions e.g. Direct Debits choose</p> <p>Add document</p> <p>Relevant Document type e.g. nominal receipt, direct debit, BACS payment</p> <p>Bank – enter bank account number from bank statement</p>	
9	<p>For every Bank Account -reconcile bank statement.*</p> <p>Ensure Bank Statement & financial software reconcile Print Report for each bank statement.*</p> <p>Print unreconciled transaction listing, check for entries over 2 months old and investigate. *</p> <p>Print an STB and reconcile bank balance – ensure that the closing statement balance adjusted by the unreconciled transactions reconciles to the Bank Balance indicated on the STB</p>	<p>Complete the bank reconciliation: Create bank statement in Lloyds Bank online and import to PSF as per instructions</p> <p>Use one of the below methods to reconcile the bank accounts (see attached detailed notes)</p> <ul style="list-style-type: none"> • Manual • Auto Match with manual checks <p>Auto Match without checks</p>	
10	<p>Reconcile Trade Debtors control account *</p> <p>If you are not using the sales ledger/debtors functionality then you should be keeping a schedule of current</p>	<p>Run an aged debtor report (in Modules> Reporting Suite) and ensure that it matches with the trade debtors balance on the Trial Balance. You will need to investigate and note</p>	

	debtors indicating the dates that the invoice was raised and the number of days between this date and the end of the period being closed.	explanations for any debtors more than 30 days old.	
11	Reconcile Trade Creditors control account *	Run an aged creditor report (in Modules> Reporting Suite) and ensure that it matches with the trade creditors balance on the Trial Balance and statements issued by creditors. You will need to investigate and note explanations for any creditors more than 30 days old.	
12	Record current month income and expenditure for funds recorded outside of PSF	Complete School Fund and Governors Fund period end checklists	
13	Post purchasing card statement entries *	Obtain receipts for all transactions on the purchasing card statement. Ensure all transactions have been authorised by an appropriate person who is not the card holder. Post the transactions (Dr expense nominals, Cr 9410 Credit Card Control) Post the direct debit payment of the prior month's statement balance to 9410 Credit Card Control.	
14	Post monthly accounting adjustments e.g. deferred income, accruals and prepayments in line with your procedures advised by MAT. Detail of any adjustments should be added to a schedule.	Select Add document, select relevant journal type e.g. accruals, the journal header will ask you to select the reversal details. Complete all relevant entries	
15	Run Summary Trial Balance, by Ledger Code.	Either in Favourites or Options (choose relevant period, hide columns you don't need)	
16	Check all other Balance Sheet accounts that have balances on and confirm they are correct	Print details of accounts to confirm balances	
17	Check Hold and Reg Reg for items that need correcting and take action accordingly	Document Enquiry, all Document types, Period Reg Reg. Document Enquiry, all Document types, check Hold database	
18	Run and print VAT 126 report *	Reporting Suite, VAT 126 report, choose correct period, school VAT code	
19	Check VAT report	Review VAT report for missing VAT numbers or descriptions. Ensure no errors.	

20	Present forms marked * above to the Headteacher for checking and signature.		
	Steps 8 to 20 to be completed by 12th of the month/ in line with MAT timetable	MAT will raise access levels to level 7+ on scheduled date to prepare the VAT accounting and to close current VAT and accounting periods.	
21	After 17th of the month	MAT to advise completion of period end has taken place	
22	Run final Summary Trial Balance, by Ledger Code	Through Favourites or Options	
23	Final VAT reconciliation.	Any balances on the VAT reimbursement code should equal any outstanding claims owed by HMRC.	
24	Run a Financial Monitoring Report. CFR or Management Accounts from the Reporting Suite could be utilised.	Run your agreed monitoring report, and update your projected outturn to reflect any changes since the last period end. Check the validity of above report by matching to the income and expenditure balance on your Trial Balance.	
25	Consider Cash Flow.	Ensure that you will have sufficient cash to cover planned expenditure.	

Work completed by: _____

Signature & Date: _____

Appendix B**XAVIER PERIOD END PROCEDURES FOR SCHOOL FUND; Fin Year: Sept 20-Aug 21**

SCHOOL NAME: _____

Tick when
complete*Headteacher to sign docs marked with asterisk**

1	For every bank account, reconcile the bank statement *	Reconcile bank statements to unofficial funds software.	
2	Check school fund recharge nominal is zero. Nominal 5168 School Fund Recharge is used to capture all expenditure made on behalf of the School Fund, and all corresponding recharge income received from the School Fund	Review nominal 5168, and either raise a cheque or post accruals accordingly so that the closing month end balance is zero. Ensure that total income and expenditure is the same on school fund software and PSF.	
3	Categorise month end income and expenditure	Identify and classify all income and expenditure for the month to date, and complete the School Fund template (this is the same as the template completed for year end).	
4	Post total income and total expenditure into PSF	Use the following double entry to record School Fund total income and expenditure in PSF Income – Dr 9850, Cr 1157, Expenditure – Dr 5167, Cr 9850 Keep copies of all supporting documents e.g. income & expenditure reports from unofficial software, bank statements, etc.	
5	Steps 1 - 4 to be completed by 12th of month	Send copy of the School Fund template to the MAT	

Work completed by: _____

Signature & Date: _____

Appendix B**XAVIER PERIOD END PROCEDURES FOR GOVERNORS' FUND; Fin Year: Sept 20-Aug 21****SCHOOL NAME:** _____*Headteacher to sign docs marked with asterisk****Tick when
complete**

1	For every bank account, reconcile the bank statement *	Reconcile bank statements to cheque book payments. Identify and classify all income and expenditure for the month to date, and complete the Governors' Fund template (this is the same as the template completed for year end).	
2	Post total income and total expenditure into PSF	Use the following double entry to record Governors' Fund total income and expenditure in PSF Income – Dr 9850, Cr 1156 , Expenditure – Dr 5166, Cr 9850	
3	Steps 1 and 2 to be completed by 12th of month	Send copy of the Governors' Fund template to the MAT	

Work completed by: _____

Signature & Date: _____

Appendix C - Scheme of Delegation

Payments

Primary Schools
Cheques up to £250 require 1 signature Cheques over £250 require 2 signatures BACS payments require 2 signatures (each signatory must authorise both on paper and digitally)

Secondary Schools
Cheques up to £500 require 1 signature Cheques over £500 require 2 signatures BACS payments require 2 signatures (each signatory must authorise both on paper and digitally)

Notes:

- Signatories are members of the SLT team (excluding Business Managers).
- Staff who authorised the expenditure should not sign for the payment.
- A signatory must not approve a payment to a relative.

Appendix C – Scheme of Delegation

Procurement of resources

Secondary Schools	Approval Level 1	Approval Level 2	Approval Level 3
Supplies & services Educational	Head of Department £5,000	Business Manager £10,000	Finance Committee £100,000
Premises	Facilities Manager £5,000	Business Manager £10,000	Finance Committee £100,000
Supplies & Services non Educational	Budget Holder £5,000	Business Manager £10,000	Finance Committee £100,000
IT	IT Manager £10,000	Business Manager £10,000	Finance Committee £100,000
Capital Items (Fixed Assets)	Business Manager £10,000	Business Manager £15,000 Head Teacher £25,000	Finance Committee £100,000
Primary Schools	Approval Level 1	Approval Level 2	Approval Level 3
Supplies & services Educational	Business Manager £5,000	Head Teacher £10,000	Finance Committee £100,000
Premises	Business Manager £5,000	Head Teacher £10,000	Finance Committee £100,000
Supplies & Services non Educational	Business Manager £5,000	Head Teacher £10,000	Finance Committee £100,000
IT	Business Manager £5,000	Head Teacher £10,000	Finance Committee £100,000

Capital Items (Fixed Assets)	Business Manager £5,000	Head Teacher £10,000	Finance Committee £100,000
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Note:

Individual Schools may have lower authorities but these are the maximum.

The Local Governing Body must agree any expenditure for which there is no approved budget.
Any purchases over £100,000, for which there is no approved budget, must be approved by the Trust Board.

Finance Committee refers to the Xavier CET Finance Committee