

# The Holy Cross School



## Academy Trust Finance Handbook

### Details

Status	Effective Date	Next Review	Prepared by	Reviewed by	Approved by
Statutory	February 2026	February 2027	AH, MAC & TL	Audit, Finance, Risk and Estates Committee	Governors

Policy to be reviewed every year



# The Holy Cross School

## Academy Trust Finance Handbook

### Contents

<b>Details</b>	<b>1</b>
<b>1 Finance</b>	<b>10</b>
<b>1.1 Proper and regular use of public funds</b>	<b>11</b>
<b>1.2 Financial Responsibilities</b>	<b>12</b>
<b>1.3 Strategic Development Plan, Financial planning and monitoring</b>	<b>15</b>
1.3.1 Strategic Development Plan	15
1.3.2 Budget compilation	16
1.3.3 Reporting	16
1.3.4 Accounting officer (Head Teacher) statement	17
<b>1.4 Financial administration</b>	<b>17</b>
1.4.1 Accounting systems	17
1.4.2 Accounting records	17
1.4.3 Internal audit, the responsible officer and peer review	17
1.4.4 Reporting Accountants	18
1.4.5 Audit access rights and provision of information	19
1.4.6 Investigation of fraud and irregularity	19
1.4.7 Register of business interests	20
1.4.8 SRMA	20
<b>1.5 Income</b>	<b>20</b>
1.5.1 Grant income	20
1.5.2 Non grant income	20
1.5.3 Letting of school facilities	20
1.5.4 Borrowing	21
1.5.5 Delegated authorities	21
1.5.6 Fund raising events	22
1.5.7 Cashless Site	22
1.5.8 School Trips	22
1.5.9 Fees and Charges	23
<b>1.6 Banking and cash holdings</b>	<b>24</b>
1.6.1 Bank accounts	24
1.6.2 Bank reconciliations	24
1.6.3 Cash banking	24
1.6.4 Cashbooks	25
1.6.5 Online Banking	25
1.6.6 Private Funds	25
<b>1.7 Payroll and Expenses</b>	<b>25</b>
1.7.1 Expenses	25
1.7.2 Monthly procedures	25
1.7.3 Payroll bureau contract	26



---

<b>1.8 Procurement</b>	<b>27</b>
1.8.1 Lease hire contracts	28
1.8.2 Approved suppliers	28
1.8.3 Tendering	28
1.8.4 Ordering procedures are as follows:	30
1.8.5 Purchase orders	30
1.8.6 Receipt of goods	31
1.8.7 Purchase invoices	31
1.8.8 Payment of invoices	31
1.8.9 Related Parties Transactions	32
1.8.10 Month-end procedures	32
1.8.11 Value Added Tax	32
<b>1.9 Fixed Assets</b>	<b>32</b>
1.9.1 Fixed asset register	33
1.9.2 Disposal of assets	33
1.9.3 Losses	33
<b>1.10 Financial Risk Management process</b>	<b>34</b>
1.10.1 Contingency and Business Continuity Plan	34
1.10.2 Insurance	34
1.11 Community Facilities	34
<b>4. Whistle blowing policy</b>	<b>35</b>
<b>5. Exemption Process</b>	<b>35</b>
<b>Appendix A – Holy Cross Financial Checklist</b>	<b>36</b>
<b>Appendix B – Contingency and Business Continuity</b>	<b>40</b>
<b>Appendix C – Role of Responsible Officer</b>	<b>41</b>



# 1 Finance

## 1.1 Proper and regular use of public funds

The Finance section of the handbook is intended to demonstrate that public funds have been used as intended by Government and ensure that:

- spending has been for the purpose intended;
- no trustee, governor, employee or related party has benefited personally from the use of funds;
- all trustees have completed the register of business interests kept by the AT and there are measures in place to manage any conflicts of interest;
- there are no payment(s) to any Trustee unless such payment(s) is/are permitted by the Articles and (where applicable) comply with the terms of any relevant agreement entered into with the Secretary of State. The latter includes situations where payments are made to other business entities who employ the trustee, are owned by the trustee, or in which the trustee holds a controlling interest.
- their senior officers' payroll arrangements fully meet their tax obligations and comply with the Secretary of State's directions regarding the employment and contract arrangements of individuals on the avoidance of tax (Please see HM Treasury's Review of off-payroll payment to public servants);
- there is probity in the use of public funds;
- a competitive tendering policy is in place and applied; and
- there is no disposal of public funded assets without the Secretary of State's consent (through the ESFA).

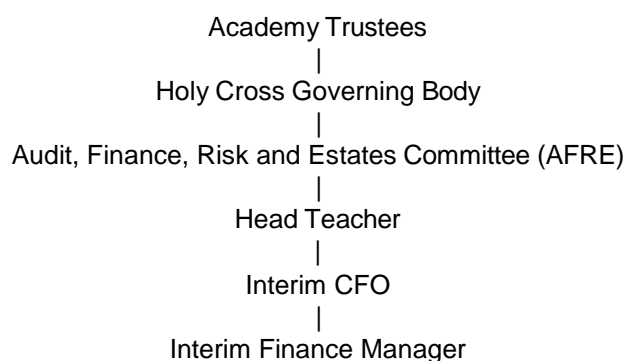
### Reference documents (with hyperlinks)

- [Academies Financial Handbook 2020](#)
- [ESFA Academies Accounts direction](#)
- [www.education.gov.uk/schools](http://www.education.gov.uk/schools)
- [Annex 4.4 of HM Treasury's "Managing Public Money"](#).
- DfE: [Buying goods and services - Schools](#)
- Guidance on financial monitoring, published by the Charity Commission:
  - [CC8- Internal Financial Controls for Charities](#)
  - [CC14 - Charities and Investment Matters.](#)



## 1.2 Financial Responsibilities

The financial reporting line is as follows:



The **Board of Trustees** is specifically responsible for ensuring that the Academy Trust's funds are used only in accordance with:

- the law;
- the board's powers under the FA (including the Academy Trust's articles of association which set out the powers of the Academy Trust and its governance arrangements);
- Academy's Finance Handbook.

The trustees of the Academy Trust should be notified of any significant changes to the approved budget; to allow them to consider and decide whether to approve:

- Write-offs of unrecoverable debts or overpayments.
- Recognising losses of stocks or other assets.
- Special payments (transactions outside the usual planned range).
- Taking on liabilities by issuing specific guarantees, or providing a letter of comfort or providing indemnities, and
- Gifts or hospitality received or given.

The **Governing Body** of the Holy Cross school is responsible for ensuring that the school meets all obligations placed upon it by the Secretary of State for the Department for Education (DfE).

In order to fulfil these obligations, the Governing Body is divided into a number of Governor Committees. The full Governing Body meets each half-term, as does the AFRE Committee. All meetings are minuted. Decisions can only be made when Committee meetings are quorate.

The **Audit Finance, Risk & Estates Committee's** responsibilities include the following:

- To advise the Governing Body on:
  - financial strategy and policy within the resources available



- the application of the Public Grants received in accordance with the Education Acts and the DfE
- Recommending the annual budget to the Governing Body
- monthly Management Accounts, which will include regular monitoring of actual income and expenditure against each budget and revised forecast for the year.
- Delegating budget responsibilities to budget managers.
- Authorising budget virements over £15,000.
- Ensuring the annual financial statements is produced in accordance with DfE and ESFA requirements and is compliant with the ESFA fair funding scheme, and present the Annual End of Year Financial Statements to the Governing Body
- Awarding of contracts by tender to a specified limit as detailed under section 3.8 Procurement below.
- Appointing of Reporting Accountants on a 3 years basis.
- To review annually the School Management Letter in response to recommendations made by the school's Reporting Accountants
- To oversee the distribution of the School's Public and Private Funds
- To keep under review all aspects of employment at the school and approve salary levels as noted in section 3.7 - Payroll
- To recommend to the Governing Body any changes necessary to fulfil current employment legislation
- To receive, consider and recommend to the Governing Body the overall staffing provision of the school within the school's Budget
- To review reports by the Head Teacher / nominated Governor from the AFRE Committee on the effectiveness of the financial procedures and controls by use of a financial self-assessment checklist (Appendix A).
- Undertake the requirements of an audit and risk sub-committee including Responsible Officer visits by a second external audit company.
- To ensure the annual review of the Academy Trust Finance Handbook has been conducted and remains in compliance with the ESFA Fair Funding scheme which is also annually updated.

## **Audit and Risk Sub-Committee**

### **Terms of reference**

The core function of the Audit and Risk Committee ("the Committee") is to ensure proper financial reporting and robust internal controls. These duties are delegated to it by the full governing body although the responsibility remains with the full governing body.

The Committee will consist of at least three governors, including the Chairman of Governors and the Chairman of the Audit Finance and Personnel Committee.

The Committee's meetings will usually form part of the Audit Finance and Personnel Committee meetings with additional meetings called as and when necessary.

The key areas of the role of the AFRE Committee are as follows:

- Risk Management which will include a review of the Annual Contingency and Business Continuity plan, and internal controls.
- The Committee is not responsible for implementing internal controls although it is involved in ensuring they are followed and that they are adequate and effective.



- It will determine the level of internal audit required and how that is reported to the full governing body and also Reporting Accountants.
- It will carry out the internal audit function any may delegate all or part of that function to a third party including external parties.
- It will ensure that there are appropriate arrangements in place to enable staff to report any concerns and ensure those concerns are properly investigated and followed up with appropriate action.
- Internal scrutiny visits twice a year by an external audit company.

### **Financial Reporting**

The Committee's main function is to review the financial statements, the processes and personnel that produce those statements. It is not responsible for preparing any financial information.

It, together with management and the full governing body, are responsible for making sure that all material matters are reported in the appropriate manner and are free from material misstatement and is unbiased.

It will review all aspects of the annual report and their production and report its findings to the full governing body.

### **Effectiveness of Reporting Accountants**

The Committee is responsible for the appointment of the Reporting Accountant and overseeing the tender process.

It will have input to and approve the audit plan and timetable as prepared by the Commercial Director and Interim Finance Manager and the Reporting Accountant.

It will seek to challenge management and the Reporting Accountant particularly around areas of estimation or judgement.

The role of the **Head Teacher (as Accounting Officer)** includes responsibility for:

- Ensuring that DfE and ESFA financial requirements are implemented.
- Compiling the annual budget with the Commercial Director for consideration and approval by the AFRE Committee.
- Attending the AFRE Committee meeting and provide the Governing Body with assurance that the school's finance function is operating effectively
- Working with the Governing Body on the discharge of their financial responsibilities.
- Advising the governing body and the ESFA of any instances of irregularity or impropriety, or non-compliance with the terms of the AT's funding agreement.
- Overseeing the management of efficient, economical and effective use of resources and expenditure, including funds, capital assets, equipment and staff.
- Ensuring the maintenance of sound internal financial controls.
- Ensuring that financial implications are taken into account in all aspects of school management and that Best Value in financial decisions is demonstrated.
- Signing, with the Chair of the Governing Body, the school's accounts, ensuring they are properly presented and adequately supported by the underlying books and records at the school.
- Undertaking a monthly review of Bank reconciliations.



- Undertaking a monthly review of payroll transactions.
- Authorising virements between £1,001 and £15,000.
- Awarding of contracts by tender to a specified limit as detailed under section 9 Procurement below.
- Ensuring compliance with the procurement procedure as summarised in section 9.
- Ensuring annual completion of financial self-assessment checklist (Appendix A) with a Finance Governor.
- Ensuring that bank accounts, financial systems and financial records are operated by more than one person;
- Ensuring that all the Academy Trust's property is under the control of the trustees, and that measures are in place to prevent losses or misuse;
- He / she may delegate some of the above tasks to the Commercial Director / Interim Finance Manager but will retain responsibility for the outcome.

The role of Interim CFO / Interim Finance Manager includes responsibility for:

- Managing financial issues on a day to day basis.
- Managing the school's financial position at a strategic and operational level.
- Introducing and Managing effective systems of internal control.
- Ensuring compliance with School Financial Value Standard (SFVS).
- Managing and ensuring compliance with the procurement procedure as summarised in section 1.8.
- Reviewing the Academy Trust Handbook annually to ensure continuing compliance with the ESFA Fair Funding scheme which is also annually updated.
- Preparing financial reports as required by ESFA.
- Awarding of contracts by tender to a specified limit as detailed under section 9 Procurement below.
- Compiling the annual budget with the Head Teacher
- Monitoring the budget;
- The preparation of the annual accounts;
- Maintaining records of account as required by the DFE, ESFA and the Governing Body.
- Providing financial advice to the Head Teacher and Governing Body
- Technical advice (with support from the Finance Manager) ; and liaison with Reporting Accountants
- Efficient tax management (including PAYE & VAT)

## 1.3 Strategic Development Plan, Financial planning and monitoring

### 1.3.1 Strategic Development Plan

The school has an overall Strategic Development Plan approved by the Governing Body and defining its strategy for three years. The plan outlines the areas that are a priority for spending and states the reason why and is updated on annual basis.



### 1.3.2 Budget compilation

The budget is derived from the Strategic Development Plan.

The AFRE Committee monitors all financial aspects in relation to the school's management.

The Head Teacher is responsible to the AFRE Committee for the preparation of the annual budget.

The budgeting process starts in March each year after the ESFA has advised indicative school budget shares in accordance with the Fair Funding Scheme. The Leadership Team decides upon major expenditure by the end of April.

The draft budget is presented to the AFRE Committee in early May for review, discussion and amendment if appropriate. When passed by the AFRE Committee in June, the budget is submitted to the full Governing Body for formal review and approval. The school then submits the approved budget to the ESFA during July each year at which time the budget holders receive a written record of their allocation.

#### **Budget control and monitoring**

The Governing Body carries the ultimate responsibility for monitoring the budget.

The process of monitoring actual expenditure against budget is continuous. Day to day responsibility for monitoring and control lies with each budget holder who must obtain approval from the Interim CFO if they wish to exceed their budget allocation. The process is coordinated by Interim CFO and reviewed by the Head Teacher on a monthly basis.

### 1.3.3 Reporting

Interim CFO and Interim Finance Manager issues a monthly report to budget holders detailing budgeted and actual expenditure.

Interim CFO and Interim Finance Manager prepares a monthly management report of actual performance against budget, on an accruals basis, with explanations of the main variances. This report is sent to the Head Teacher, SLT, AFRE Committee and Chair of Governors. The Interim Finance Manager produces monthly Governors Accounts which the Head Teacher presents at each Governors meeting.

The Interim CFO authorises virements up to £3000. The Head Teacher authorises virements between £3,001 and £15,000. The AFRE Committee authorise virements over £15,000. All virements are reported to the Governing Body and there will be an agenda item for virements at each AFRE Committee meeting.

All financial returns required by the ESFA are produced by the FMS. ESFA returns are completed by the Interim CFO and reviewed for accuracy by the Head Teacher before being signed in accordance with DfE requirements and copied to the AFRE Committee. The Head Teacher is responsible for ensuring that all financial returns are made to the ESFA on a timely basis.

Holy Cross School is required to notify the ESFA's chief executive in writing of the vacating or filling of the positions of Chair of the governing body and Headteacher (as accounting officer / PFO).

It is a requirement of a Limited Company to ensure that the Annual Trustees and Governors Report and Annual statement are filed at Companies house and the ESFA in a timely manner in accordance with published requirements of ESFA & Companies Act.



### 1.3.4 Accounting officer (Head Teacher) statement

The accounting officer's statement on governance, regularity, propriety and compliance must be included in the Accounting Trust's annual report. This is a formal declaration that the Academy has met their personal responsibilities to Parliament for the resources under their control during the year. It includes a responsibility to ensure that public money is spent for the purposes intended by Parliament to ensure good value for money and for the efficient and effective use of all the resources in their charge.

## 1.4 Financial administration

### 1.4.1 Accounting systems

The school's accounting system is the SIMS accounting software package 'Financial Management System' (FMS). It is the school's policy that all staff involved with financial administration receives basic bookkeeping training and are familiar with the operation of the FMS.

The proper functioning of the accounting system is the responsibility of the Interim CFO and Interim Finance Manager.

The FMS is cloud based and is backed-up automatically throughout the day.

### 1.4.2 Accounting records

Only authorised staff are permitted access to the accounting records, which are securely retained when not in use.

Alterations to any original documents such as invoices, purchase orders and other vouchers are made clearly in ink. The use of correcting fluid or the erasure of information is not acceptable.

All accounting records including invoices, delivery notes, bank statements etc. are retained in hard copy for six years in a secure area.

### 1.4.3 Internal audit, the responsible officer and peer review

The AFRE Committee will undertake the requirements of an audit committee by:

- reviewing reports by the Head Teacher / nominated Governor from the AFRE Committee as to the effectiveness of the financial procedures and controls by use of a financial self-assessment checklist (Appendix A).
- ensuring the annual review of the Academy Trust Handbook has been conducted and remains in compliance with the ESFA Fair Funding scheme which is also annually updated.

This process is driven by the AFRE Committee which comprises of the Chairpersons of all Statutory and non-Statutory Committees and other Governors. A member of the AFRE Committee other than the Chairperson and the Chair of Governors shall



fulfil the role of Responsible Officer. The role of the Responsible Officer is more fully described in Appendix C.

As part of its standard agenda the AFRE Committee review the risks to internal financial control within the school.

The school manages this process not only as an agenda item in Committee meeting but also by:

- Departmental budgetary monitoring on a monthly basis using in-house Financial Management reports
- Leadership monthly financial performance review using in-house Financial Management reports
- Periodic spot-checks for correct submission of Payroll by member of Finance & Personnel Subcommittee.
- Periodic completion of Governance and Finance Handbook checklist by Governing Body, but no less than every three years
- The performance of a supplementary programme of work by an external audit company.

#### 1.4.4 Reporting Accountants

Reporting Accountants are appointed by the school to conduct mid-year and year-end audits in order to:

- Ensure compliance with ESFA Fair Funding scheme.
- Ensure ongoing compliance with the SFVS.
- Ensure compliance with Governance and Finance Handbook.
- Ensure accuracy of reported results.
- Recommend improvement in financial procedures.
- Review school contracts to ensure compliance with procurement procedures.
- Certify both public and private funds.

The Audit Findings Report which includes recommendations is sent to the Head Teacher and is considered with the Interim CFO and Interim Finance Manager prior to a formal close-out meeting involving the Head Teacher, MAC, representatives of the AFRE Committee, LMT and audit partner. The Audit partner issues the final Audit Findings Report to the Head Teacher for a formal response on the actions agreed.

The final Management Letter and Head Teacher's response together with the published Financial Statements are circulated to the AFRE Committee and ESFA.

Following completion of the year-end audit the AFRE Committee will review the audit process in terms of:

- Quality of service received.
- Value for money.

If the outcome of this review is satisfactory the AFRE Committee might recommend to the full Governing Body the reappointment of the Reporting Accountants for a further year provided this is compliant with procurement requirements.

When a decision is taken not to reappoint the school's existing Reporting Accountants, copies of all notices relating to the Governors' meeting that will confirm their removal must be sent to them by the



Clerk to the Governors. The outgoing Reporting Accountants are entitled to attend the meeting and be heard on any matter that concerns them as former Reporting Accountants of the school.

### ***Letter of engagement***

A letter of engagement must be agreed with the school's Reporting Accountants and the Board of Trustees in accordance with section 3.1 of the ESFA handbook. The purpose of this letter is to set out the main duties of both the Reporting Accountants and the Board of Trustees.

If additional services are to be purchased, a separate letter of engagement must be obtained which must specify the precise requirements of the work and the fees to be charged.

The letter of engagement must provide for the removal of the Reporting Accountants before the expiry of the term of office in exceptional circumstances, notwithstanding the other terms of the contract. Proposals to remove Reporting Accountants must require a majority vote of members of the trust board. If the Reporting Accountants resign, there must be a requirement for them to state their reasons.

The trust board must notify the ESFA immediately of the removal or resignation of Reporting Accountants. In the case of removal, the trust board must notify the ESFA of the reasons for the removal. In the case of resignation, Reporting Accountants must copy to the ESFA a statement of their reasons.

### ***Statement on Regularity, Propriety and Compliance***

The Annual Governors Report and Financial statement will contain a review of the accounting officer's statement and shall be further verified as part of the Reporting Accountants remit. This opinion will be addressed jointly to the Academy Trust and to the Secretary of State through the ESFA. The ESFA will draw formal assurance from this regularity audit.

#### 1.4.5 Audit access rights and provision of information

In order to facilitate the ESFA to conduct audits at the Holy Cross school, the ESFA must be given access to all books, records, information, explanations, assets and premises at their request. During such audits the ESFA may conduct interviews at any reasonable time.

The Holy Cross school will retain all records necessary to verify the provision delivered in relation to the school Governance Handbook and the Academies' Financial Handbook for a minimum of six years.

Holy Cross School will also provide the ESFA, or agents acting on the ESFA's behalf, with the information the ESFA requires in exercising any other responsibilities and to meet funding requirements.

#### 1.4.6 Investigation of fraud and irregularity

The personal responsibilities for the accounting officer at Holy Cross to secure the funds and assets of an Academy Trust are set out in Part 3 of this Handbook. These responsibilities extend to the prevention of loss through fraud and irregularity.

The Academy Trust is also responsible for ensuring appropriate action is taken where fraud and irregularity is suspected or identified.



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

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

#### 1.4.7 SRMA

The School Resource Management Advisor is intended to help schools in evaluating the quality of their financial management and to enable schools to manage their resources more efficiently, leading to an increase in Value for Money. The school will remain compliant with SRMA.

### 1.5 Income

The Governing Body has overall responsibility for ensuring that all income due to the school is properly accounted for by use of Reporting Accountants.

#### 1.5.1 Grant income

The interim CFO ensures that statutory returns including the school census from which the grants are determined are submitted on a timely basis in order to receive maximum funding.

The Head Teacher oversees this process and also initiates the application for specialist grants.

#### 1.5.2 Non grant income

Receipts are only given upon request for non-grant income.

#### 1.5.3 Borrowing

The Academy Trust will seek approval from the ESFA or the Secretary of State before any short-term borrowing (including overdraft facilities) and medium/longer term loans (including finance leases), are entered into where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies.

The Academy Trust will alert the ESFA to any potential cash flow issues that could result in unauthorized borrowing.

#### 1.5.4 Delegated authorities

The Academy Trust's delegated authority over different categories of financial transaction is set out below.

##### **Liabilities and write-offs**

The Academy Trust 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 the AT). The limits are:

- 1% of total annual income or £50,000 (whichever is smaller) per single transaction.



- Cumulatively, 5% of total annual income in any one financial year per category of transaction (writing off debts and losses, guarantees, indemnities and letters of comfort.)

Beyond these limits the Academy Trust will seek and obtain explicit and prior approval of the Secretary of State (through the ESFA) to the transaction.

### **Novel and contentious transactions**

Public money must always be spent prudently and in ways that command broad public support. Novel and contentious payments will be referred to the ESFA for explicit prior authorisation. If there is any doubt about the propriety of a payment the Academy Trust will ask the ESFA in advance of payment.

### **Staff severance payments and compensation payments**

When considering making a staff severance payment above the contractual entitlement, the Academy Trust will consider the following issues:

- Whether such a payment is justified, based on a legal assessment of the chances of the Academy Trust 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, the Academy Trust 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 will 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.

Special severance payments are paid to employees outside normal statutory or contractual requirements when leaving employment in public service whether they resign, are dismissed or reach an agreed termination of contract.

When considering making a compensation payment the Academy Trust will 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 the AT is considering making a special staff severance payment or compensation payment above the contractual entitlement of £50,000 or more, prior approval will be sought from HM Treasury, via the ESFA, before any payment is made.

## **1.5.5 Fund raising events**

It is the responsibility of the event organiser to monitor and control income.

On a monthly basis the Interim Finance Manager will reconcile funds received with the bank statement.

### **Cashless Site**

The Trust is now cashless. All funds are received electronically to minimise the administration required with cash transactions and to facilitate charges to parents for catering and other school activities, for example school trips. Four cashless payment systems are in use ParentPay, Compass,



GoCardless and Cashflows Europe which are linked to the School current account with Lloyds. The verification process for pupils and staff is provided by the Vericool system.

### 1.5.6 School Trips

When planning any excursion, the Party Leader will submit the financial analysis to the second Deputy and then the Interim CFO who will confirm the viability of the trip prior to the Party Leader obtaining consent from the Head Teacher. This consent must be obtained before any commitment is made to pupils, parents or third parties.

All monies received for excursions are to be paid using ParentPay and Compass. The Party Leader is responsible for keeping adequate records of income and expenditure in a trip register.

All expenditure in connection with trips is subject to the same procedures as other expenditure. The interim CFO and Interim Finance Manager reviews the school trips on a monthly basis as part of the reporting process.

Upon completion of the trip (excluding day trips) the Interim CFO and Interim Finance Manager will prepare a Final income and expenditure account to be signed by the Party Leader and signs their acknowledgement. This is done during the monthly review.

In the event of a loss on a school trip the Interim CFO will submit the final income and expenditure account to the Head Teacher.

### 1.5.7 Fees and Charges

Please refer to the Charging and Remissions Policy Handbook

## 1.6 Banking and cash holdings

### 1.6.1 Bank accounts

The school's bank facilities, authorised by the Governing Body are held at the Lloyds Bank plc.

32 day notice deposit account: In the SDP, the Academy Trust looks to increase funds to this account annually by achieving a surplus equating to 1% of core public grants. We aim to secure the initial £200k on deposit that may only be released by the joint authority from the accounting officer, chair of AFRE Committee and MAC. The schools aim is to have a minimum of £500k in the deposit account.

<b>Account No.</b>	<b>Title</b>
55663460	The Holy Cross School Main Account – Lloyds Bank
55665768	The Holy Cross School Number 2 Account - Lloyds Bank
04231252	The Holy Cross School Governors Maintenance Fund - Lloyds

The school holds separate bank accounts for public and private funds. Public and private funds are separated in the nominal ledger. The banks have been informed that the school is not allowed to borrow funds and that no account should be allowed to become overdrawn. All accounts are interest-earning current accounts.

### 1.6.2 Bank reconciliations

Procedures for all bank reconciliations are as follows:

<b>Account</b>	<b>Frequency</b>	<b>Performed by</b>	<b>Reviewed by</b>
All Funds	Monthly	Interim FM	Interim CFO



All bank reconciliations are performed by the Interim Finance Manager on receipt of bank statements and are reviewed by the Interim CFO. The review of each bank reconciliation is evidenced by signing and dating of the reconciliation.

### 1.6.3 Cashbooks

Cashbooks are kept for all accounts in a computerised format on FMS and Excel for public and private funds.

### 1.6.4 Online Banking

The school utilises the Lloyds Bank Plc commercial online banking facility and makes payments using the Faster Payment and BACS services. Cheques are no longer issued.

The procedure for online payments are as follows:

The Interim CFO authorizes the payment run on the FMS system.

The interim Finance Manager creates the payments using the Lloyds Commercial Online banking platform.

When the payments have been created online they must be approved by

1. The Head Teacher
2. One of the Deputy Head Teachers

**Please note the current bank mandate is subject to amendment once the handbook has been approved.**

### 1.6.5 Private Funds

There is one private fund.

The Governors Maintenance fund is used solely to receive Gift Aid funds from HMRC. This facility will be transferred to the Main Account and this will be closed in due course.

The private fund is subject to the school's procurement and audit process.

## 1.7 Payroll and Expenses

The salary levels and finance in connection with staff appointments and terminations are determined by the Head Teacher and at Leadership Team level and are formally approved by the Governing Body via the AFRE Committee who verify all Teaching & Learning Responsibility Points are awarded in line with the agreed Staffing Structure Master List.

The school has a contract with a payroll bureau to administer the payroll. Net payments to staff, Inland Revenue payments, Teachers' Pensions Agency payments, Local Government Pension payments and voluntary deductions are made by the bureau via direct debit using the Banks Automated Clearing System (BACS).

All personnel files are kept in the Interim CFO's office. Access is restricted to the Head Teacher, Interim CFO, Interim Finance Manager, Head Teacher's PA and Chair of Governors & Chair of AFRE Committee. Payroll printouts are securely kept in the Interim CFO's office. The school is registered under the Data Protection Act.

### 1.7.1 Expenses



Expense claims are authorised by the Interim CFO and Head Teacher. Expense claims are reimbursed by electronic funds transfer. Expense claims are not returned to the claimant after authorisation but passed direct to the Interim CFO / Interim Finance Manager.

### 1.7.2 Monthly procedures

The following procedures take place on a monthly basis and are performed by the Interim CFO:

- Onboarding and offboarding forms are completed in respect of any starters, leavers, etc. and authorised by the Interim CFO and Head Teacher prior to despatch to the bureau via a secure data center.
- All salary claims are completed by staff at the end of each month and are paid with the following month's salary. Overtime claims are authorised by the Interim CFO and Head Teacher.
- Additional hours are to be authorised in advance by the Interim CFO and the appropriate salary claim submitted. Salary claims due for payment are summarised by the Interim CFO and sent to the bureau following authorisation by the Head Teacher.
- The payroll details received from the bureau are checked to ensure all amendments such as overtime and supply staff, have been made correctly.
- The gross pay for each employee is checked against an internally produced spreadsheet and the reasons for any variations noted.
- These checks must be reviewed by the Head Teacher and evidenced by initialling the payroll.
- The Interim CFO will notify the bureau via the secure data portal or by email, following authorisation by the Head Teacher that the payroll information is correct. This will authorise the dispatch of the payment information to BACS. This confirmation is filed with the authorised payroll;
- The Head Teacher will obtain monthly reports on the content of payroll master files and check them against the school's documentation to ensure that they match;
- The Head Teacher checks on a sample basis that all these procedures are being carried out monthly. Checks are also made on a selection of staff members to ensure deductions for PAYE, NIC etc. are being made correctly by the bureau; and
- The Interim CFO reconciles gross pay as per the payroll to personnel records annually. This reconciliation is checked by the Head Teacher.

### 1.7.3 Payroll bureau contract

The payroll bureau contract contains the following:

- Roles and responsibilities of bureau and school staff;
- Details of ownership of programs and data files;
- Service and security information regarding:
  - (i) notification of changes to data;
  - (ii) who may authorise the bureau to make changes to data;
  - (iii) control and accuracy of data;
  - (iv) the preparation and submission of year-end returns to the Inland Revenue;
  - (v) backup provision;
  - (vi) notification of changes to the pay date;



- (vii) provision for access to both personal information and payroll analysis by the school's staff and Reporting Accountants;
- (viii) funding dates if the bureau originates payments; and
- (ix) indemnification in the event of lost or corrupted data.
- (x) schedule of events

The payroll bureau has been informed to accept instruction only from the Head Teacher or the Interim CFO. If the Salary of the Head Teacher or Interim CFO should change then the bureau must be authorised in writing by the Chair of Governors.

The bureau has been instructed not to accept changes authorised by a person changing their own salary.

#### 1.7.4 Bank Charge Card

The school has a Lloyds Bank BCC with a limit of £10,000. The sole authorized user is the Interim CFO.

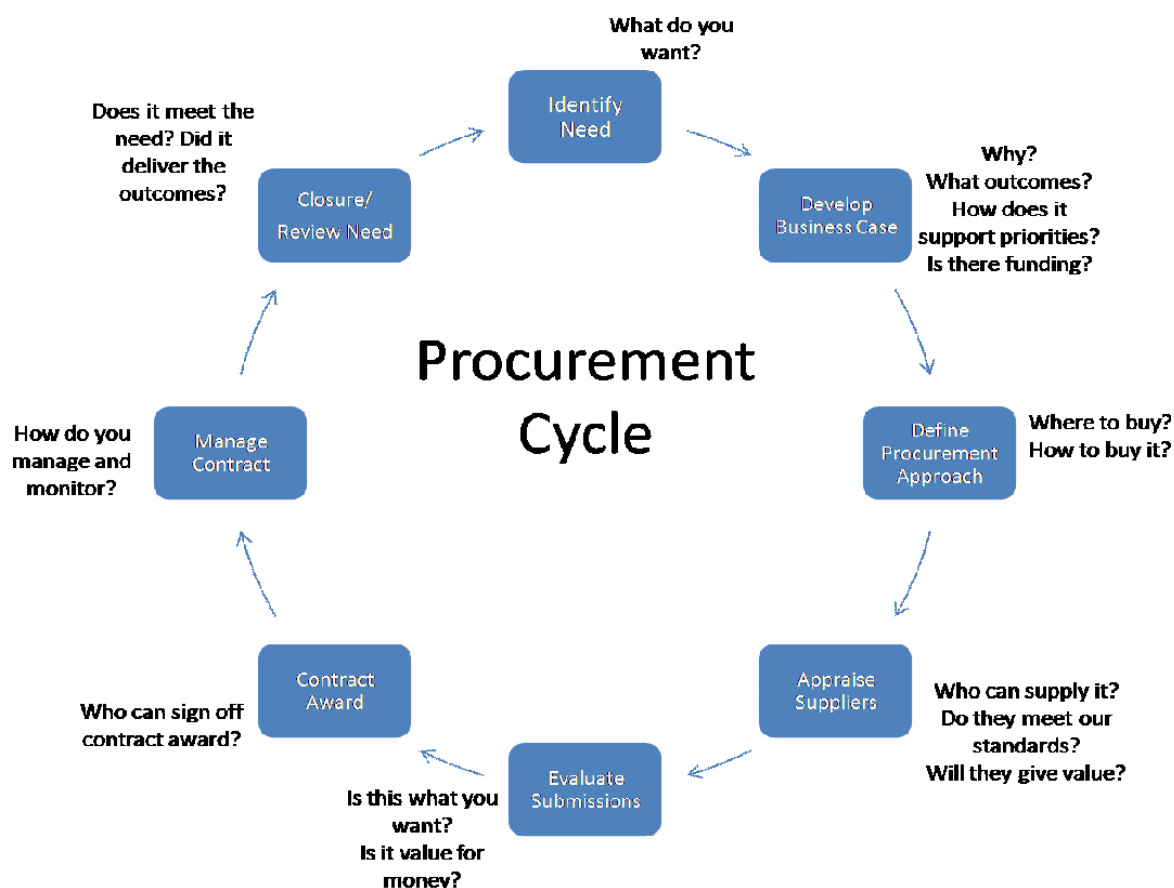
Purchases made are subject to the same procedures as outlined in the procurement section. Statements are reconciled and processed monthly by the Interim Finance Manager and countersigned by the Interim CFO.



## 1.8 Procurement

To ensure legal compliance, effective use of resources and the correct outcome all purchasing is governed by various policies (both EU and UK based) and standards. In practice we use the Procurement Cycle as presented by the ESFA which must be followed for all purchases. Additionally we follow best value principles in our expenditure of our budgets. For further information please see:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/342686/Academies\\_value\\_for\\_mon ev\\_statements.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/342686/Academies_value_for_money_statements.pdf)



The Interim CFO must assure herself that the schools procurement remains up to date with that published by ESFA and described at the website below.

<https://www.gov.uk/guidance/buying-for-schools>

Total Value of Expenditure*	Purchase Procedure	Decision Made By
< £1,000	At least two quotes and use local providers if possible	Budget Holder / Interim CFO



£1,001- £5000	At least two quotes and use local providers if possible	AFRE Committee Governor / Head Teacher
£5,001-£20,000	At least three written quotes, two from local providers	AFRE Committee Governor / Head Teacher
£20,001-£50,000	At least three written quotes, two from local providers	AFRE Committee Governor / Head Teacher / ESFA signature
£50,001 - £60,000	Advert of at least 10 days and Invitation to Tender (ITT)	Full Governing Body / Head Teacher / ESFA signature
£60,001	Advert including insertion in relevant journal (10 days) and ITT	Full Governing Body / Head Teacher / ESFA signature

\* Note that the total value of expenditure is the total expected commitment for a good or service. In the case of a lease hire contract this is the total expected value across the life of the contract and not the annual cost.

### 1.8.1 Lease hire contracts

All items that may be considered for leasing will be brought before the Governors AFRE Committee prior to an agreement being signed. Authorisation and approval will follow procurement and tendering procedure as in table above and procedure below.

These are reported to the Head Teacher and AFRE Committee and are reviewed on an annual basis as part of the external audit.(See checklist in Appendix A.)

No finance leases or hire purchase contracts are taken out by the Academy. An “Operating Lease”, of more than three years’ duration will require the approval of the Secretary of State.

### 1.8.2 Approved suppliers

The interim CFO maintains a database of approved regular suppliers. The interim CFO will select suppliers on the basis of their capacity to provide quality, good service, timely delivery and value for money. Consortia are used where they provide value for money.

The listing of approved suppliers will be reviewed and approved on an ongoing basis by the Head Teacher.

### 1.8.3 Tendering

All purchases with a value greater than £10,000 must be put out to formal tender. The following procedures must be followed in such circumstances:

- A specification will be prepared by the budget holder, authorised by the Chair of the AFRE Committee and Head Teacher and sent to at least three suppliers. It is anticipated that for any major building works of a value greater than £10,000, the services of a firm of building consultants would be engaged to deal with the handling of specifications and suitability to tender;



- Where appropriate, the suppliers invited to tender should be drawn from the approved list maintained by the Interim CFO. Otherwise, invitations to submit tenders will be advertised in local newspapers and trade journals if appropriate. The invitations to tender will include:
  - i. An introduction/background to the project;
  - ii. The scope and objectives of the project;
  - iii. Functional and technical requirements;
  - iv. Performance, quality and maintenance criteria
  - v. Implementation requirements for the project;
  - vi. Supplier's own quality control procedure; pre sales demonstrations and after sales service.
  - vii. Financial and insurance status of the supplier.
  - viii. References from other schools.
  - ix. Format for pricing
  - x. The terms and conditions of the tender; and
  - xi. The form and date of response to the school
- All replies should be addressed to the Head Teacher in a plain sealed envelope marked 'Tender' to reach the Head Teacher by a specified date. All replies must be kept sealed until that date and passed to the Chair of the relevant committee.
- All tenders will be opened at the same time and details of the contractor, quotation and any other details recorded at the time of opening.
- No contractor will be allowed to amend the tender after the time fixed for receipt.
- The Head Teacher will open a separate correspondence file for each tender which will contain copies of all correspondence or other relevant information.
- Provided the expenditure is included in the budget, the decision as to which tender to accept will be taken by the Head Teacher.
- Where expenditure is not included in the budget or anticipated expenditure exceeds the budget allocation, the decision as to which tender to accept must be taken by the AFRE Committee.
- The reasons for accepting a particular tender must be documented by the Interim CFO, especially if it is decided not to accept the lowest tender, and will be reported to the AFRE Committee.
- A review of tenders will be a standard item on the AFRE Committee agenda.

**The following points will be considered when deciding which tender to accept:**

- The overall price and the price of individual items or services therein.
- Whether there are any 'hidden' additional costs that the school will have to incur to obtain a satisfactory product.
- Whether there is scope for negotiation.



- The qualifications and experience of the supplier.
- How well the technical requirements laid down by the school will be met.
- How well the performance, quality and maintenance criteria will be met
- Whether it is possible to obtain certificates of quantity.
- The supplier's own quality control procedure; pre sales demonstrations and after sales service.
- The financial and insurance status of the supplier.
- References from other schools.

Once a tender is accepted an order should be issued immediately to the supplier in the normal way.

#### 1.8.4 Ordering procedures are as follows:

- A requisition is prepared and signed by the budget holder and sent to the Interim Finance Manager. The computer checks the order against available budget and highlights overspending to the Interim CFO. Quotes or tenders are obtained as necessary and a decision is made in accordance with the procurement rules detailed earlier in this section;
- An order is generated by the FMS and allocated a sequential number as it is produced.
- The order is authorised by the Interim CFO prior to dispatch and this signed approval is evidenced on the finance office copy of the order.
- Following approval, the Interim Finance Manager distributes each copy of the order as follows:
  - i. Top copy to supplier; Ordering online with PO number
  - ii. Second copy sent to the budget holder who requisitioned the order, together with the original requisition form; and
  - iii. Third copy on master file in finance office
- When an order is cancelled reasons for cancellation are recorded on the FMS log.

The FMS system keeps a record of all orders placed that have not been invoiced. A listing of such orders will be produced by the Interim CFO / Interim Finance Manager at the request of any budget holder

#### 1.8.5 Purchase orders

System produced (FMS) pre-numbered orders are used for all goods and services. Where goods are required urgently and an order is placed by telephone the order must always be confirmed by use of the FMS.

Access to the FMS system is restricted to Head Teacher, Interim CFO and Interim Finance Manager. Commitment accounting is in operation on the FMS system.

Orders must only be used for goods and services provided to the school. Individuals may not use official orders to obtain goods and services for their private use.



## 1.8.6 Receipt of goods

All goods are received in the school reception.

The following procedure then takes place:

- The delivery note and goods are sent to the budget holder for formal checking against the order;
- The budget holder evidences the check of goods received on the copy order and passes the delivery note to the Interim Finance Manager;
- The delivery note and the order are retained until the purchase invoice is received; and
- If goods received are part of a larger order, the budget holder maintains a record explaining how much of the larger order has been fulfilled. A copy of this is sent to the Interim Finance Manager.
- Any shortages or defective items in the goods supplied must be clearly indicated on the delivery note by the budget holder. The budget holder is responsible for ensuring the delivery is rectified.

## 1.8.7 Purchase invoices

All purchase invoices are handed immediately to the Interim Finance Manager who records the invoice on the purchase ledger in FMS. The invoice is then approved by signing and dating and passed to the relevant budget holder for approval.

The budget holder checks the invoice against the original order and the delivery note (where applicable) and evidences this check by signing and dating the invoice.

Where goods received were short or defective in some respect, and this still has not been rectified, this must be clearly noted on the invoice so that payment is not made until either a credit note is received or the delivery is put right.

The budget holder returns the purchase invoice and delivery note (where available) to the Interim Finance Manager. She passes all purchase invoices to the Interim CFO who carries out a final check to ensure that all the school's procedures have been followed.

## 1.8.8 Payment of invoices

The Interim Finance Manager reviews the FMS purchase ledger on a regular basis and selects invoices for payment. It is the policy of the school to pay all invoices by the due date and also to take advantage of any discounts available for early settlement where this is to the school's advantage. Invoices should not be paid early as a matter of course.

The Interim Finance Manager performs the following checks before submitting the invoice to Interim CFO to authorise payment:

- Goods or services have been received and checked to the order;
- Expenditure has been properly incurred and payment has not already been made;
- Prices agree with quotations, tenders, contracts or catalogue prices and arithmetic is correct;
- VAT has been properly accounted for;
- The invoice has been correctly coded; and



- Discounts have been taken where applicable.

Having ensured that all of the school's procedures have been followed the Interim CFO authorises payment by signing the invoice itself

All payments (online payments or school business charge card) from public and non-public funds are signed by two of the authorised signatories, and whenever available this will include the Head Teacher.

The following procedures are followed when any payment is prepared:

- All supporting documentation (i.e. requisition, purchase order, delivery note and authorised invoice) should be presented to the signatories for verification;
- The authorised signatory must not sign for a payment relating to goods or services for which he has also authorised the expenditure;
- The school copy of the remittance advice is attached to the purchase order and invoice by the Interim Finance Manager.
- All documentation is filed by the Interim Finance Manager in payee alphabetical order;
- No payment will be made on a photocopied invoice unless exhaustive checks have been made to confirm that payment has not previously been made. Confirmation that such checks have been made is to be recorded by the Finance Manager writing on the invoice "*Copy not previously passed for payment and signing*" and In no circumstances will payment be made against statements.

### 1.8.9 Related Parties Transactions

All transactions with related parties will be reported to the ESFA and approval obtained where certain limits apply and include confirmation of this in the related parties transaction note.

### 1.8.10 Month-end procedures

At the end of each month the Interim CFO extracts a list of balances from the purchase ledger and compares the total with the purchase ledger control account in the nominal ledger. Any reconciling items are noted and adjusted if required.

Individual supplier balances in FMS purchase ledger are reconciled to supplier statements as received.

### 1.8.11 Value Added Tax

HM Customs & Excise have determined that all schools funded directly by the LA can reclaim the VAT charged on expenditure. Holy Cross, acting as an agent for the ESFA, is encompassed within this. The VAT registration number of the ESFA, used by Holy Cross, is 216-3338-83.

## 1.9 Fixed Assets

The Governing Body is responsible for ensuring the school's fixed assets and leased items are securely maintained.



To this end, the relevant departmental heads have been delegated the responsibility of ensuring that all assets are marked as belonging to the school.

### 1.9.1 Fixed asset register

An asset register is maintained which contains details of individual acquisitions with a cost greater than £2000. Items of a lower value may sometimes be included. Maintenance of this register is overseen by the Interim CFO / Interim Finance Manager.

Where an asset comprises of two or more components which have substantially different lives, each component will be depreciated separately over its useful economic life.

At the beginning of the summer term Interim CFO / Interim Finance Manager sends an asset listing to each departmental head. Each head is required to check the existence, condition and adequacy of security marking for the assets under their control and report any differences. This procedure must be completed by half-term. Discrepancies are followed up with the departmental head by the Interim CFO. The asset register is updated accordingly. Any significant losses must be reported to the Governing Body.

The Head Teacher test checks on a quarterly basis that these procedures are being followed.

### 1.9.2 Disposal of assets

All disposals of assets must be authorised by the relevant departmental head and Head Teacher. The Governing Body must minute their approval of all disposals. The Head Teacher is responsible for notifying the Governing Body where this is necessary.

#### **Asset sales, leases and tenancy agreements**

The AT will seek and obtain explicit and prior approval from the Secretary of State, via the ESFA, before:

- entering into any freehold sales or purchases;
- granting any leasehold or tenancy agreement, regardless of length; or
- taking up any leasehold or tenancy agreement for more than three years.

### 1.9.3 Losses

All losses are to be reported to the Interim CFO who informs the **police and requests a crime report number, if the loss is a result of burglary or theft and the** insurance company is informed at the same time. Action is taken immediately to prevent further loss.

The Interim CFO maintains a record of losses and insurance monies received. The Governing Body is informed of all losses.



## 1.10 Financial Risk Management process

### 1.10.1 Contingency and Business Continuity Plan

The Academy has a Contingency and Business Continuity Plan to ensure the continued operation of the Academy which is reviewed on an annual basis (see summary in Appendix B).

This Plan also includes a risk assessment of each of the key risks identified in the summary, a copy of which is retained by the Interim CFO.

The C&BC plan shall be reviewed annually by the AFRE Committee in the Autumn term and evidence of this review can be seen by a sign off sheet as part of the full C&BC file that is maintained by MAC.

### 1.10.2 Insurance

The school arranges insurance independently from the LA, but adheres to the minimum over requirement as provided by the LA in annex C of the LA Fair Funding scheme.

- The adequacy of insurance is reviewed annually by the Interim CFO and tenders are obtained every three years;
- Details of all insurance policies held by the school are kept under the control of the Interim CFO;
- The insurers are notified of all new risks, property and equipment which require insurance or any other alteration affecting existing insurance on a timely basis;
- The school will not give any indemnity to a third party without the written consent of their insurers;
- The school immediately informs its insurers of all accidents, losses and other incidents which may give rise to an insurance claim. Claims under an insurance policy are authorized by the Interim CFO prior to submission to the insurance company; and
- Insurance arrangements cover the use of school property when off the premises.

## 1.11 Community Facilities

The school at present does not exercise the power under the 2002 Education Act to provide Community facilities and therefore is not subject to the specific requirements as stated in the Fair Funding scheme.



## 4. Whistle blowing policy

The school has a separate Whistle Blowing Policy.

All staff must be aware of their duty to raise concerns about the attitude or actions of colleagues in line with this whistle-blowing policy and in line with the school's code of conduct.

With particular regard to Safeguarding, any staff member can press for reconsideration of a case if they feel a young person's situation does not appear to be improving. They must refer their concerns to the SPA (Single Point of Access) directly, if they have concerns for the safety of a young person.

## 5. Exemption Process

Should there be any cause for the school to deviate from the Financial requirements of this Handbook the Head Teacher shall submit an exemption request to the Chair of the AFRE Committee who will convene an AFRE Committee meeting either to accept or reject the exemption request. This ad hoc meeting may be conducted by conference call if required.

For exemption requests greater than £50,000 approval shall be sought from the full Governing Body.

The outcome of any exemption request to the AFRE Committee will be fully minuted at the subsequent AFRE Committee meeting (whether accepted or rejected).

All financial transactions should be regular, proper and afford value for money. Occasionally, however, situations may arise where it may appear to make sense to enter into a transaction which does not meet these requirements. In these circumstances the AT will seek prior, express permission from the ESFA. Such transactions may additionally require HM Treasury approval dependent on the nature of the transaction involved.

Any exemption request to deviate from any other school policy shall be submitted directly by the Head Teacher to the Chair of Governors and approved by the full Governing Body.



## Appendix A – Holy Cross Financial Checklist

For use in self-assessment and by the external auditing company undertaking Responsible Officer visits.

Holy Cross Financial Checklist For use in self-assessment and by reporting accountants						
Item	Section / Aspect of Finance Handbook	Frequency	Responsibility / Performed by	Check	Self-Assessment Check (Yes/No/Partly)	Reporting Accountant Check (Yes/No/Partly)
1	<b>3.1 Proper use of Public funds</b> Compliance with the Royal Borough of Kingston (ESFA) “Fair Funding scheme for financing schools” and supporting appendices	Annual	AFRE Committee	Is there evidence of an annual review of the Academy Trust Finance Handbook by the AFRE Committee? Regular review of the same Handbook conducted to ensure ongoing compliance with annual updates to the ESFA Fair Funding scheme.		
2	<b>3.2 Financial Responsibility</b> Attend and minute meeting of Full Governing Body (GB)	At least once a term, usually twice	Governors and minuted by Clerk to the Governors	Does a historical schedule exist for all GB meetings?		
3	<b>3.2 Financial Responsibility</b> Attend and minute meeting of AFRE Committee	At least once a term, usually twice	AFRE Committee and minuted by Clerk to the Governors	Do minutes exist for all meetings?		
4	<b>3.2 Financial Responsibility</b> Attend AFRE Committee meetings and provide GB with assurance that school’s finance function is operating effectively.	As convened	Head Teacher	Have the minutes been signed for all meetings?		
5	<b>3.2 Financial Responsibility</b> Authorising budget virements over £15,000.	As required	Head Teacher and AFRE Committee	Do minutes of AFRE Committee confirm approval of budget virements over £15,000? Is there an agenda item for virements on each AFRE Committee meeting?		



6	<b>3.3 Financial Planning</b> Present draft budget to AFRE Committee	Annually – by mid March	Head Teacher with Interim CFO	Do the minutes of the AFRE Committee and Governing Body show that the HT has presented budget and has GB approval?		
7	<b>3.3 Financial Planning</b> Recommend annual budget to the GB for approval	Annually, prior to submission to ESFA.	AFRE Committee	Is there a record of the Annual Budget being presented to ESFA by July 1st?		
8	<b>3.3 Financial Planning</b> Issue report to budget holders detailing budget and actual expenditure.	Monthly	Interim CFO / Interim Finance Manager	Is there a record of report from FD to budget holders detailing budget and actual expenditure?		
9	<b>3.4 Financial Administration</b> FMS is backed up daily & monthly printouts ledger securely.	Print-outs stored monthly	Interim CFO / Interim Finance Manager	Check for most recent evidence of system back-ups and storage of monthly print-outs.	FMS is cloud based with automatic backups.	
10	<b>3.4 Financial Administration</b> Report to ESFA of detailed actual performance against budget and balance sheet details, (Consistent Financial Reporting basis.)	Monthly	Interim CFO / Interim Finance Manager, with counter-signature by HT and cc to AFRE Committee.	Is there evidence of annual report for ESFA detailing actual performance against budget and balance sheet details?		
11	<b>3.4 Financial Administration</b> Register of business interests	Ongoing, with annual renewal.	Interim CFO	Have all Governors and members of Leadership Team signed the Register within last year?		
12	<b>3.5 Income</b> Statutory returns including the school census are submitted on a timely basis to receive maximum funding	Annual	Interim CFO	Has school census and other statutory forms been submitted ahead of deadlines?		
13	<b>3.5 Income</b> Letting of school facilities	Periodic	Head Teacher	Is there any evidence that a review of schools procedure for lettings has been followed?		
14	<b>3.5 Income</b> School trips - use of Trip registers.	Monthly	Interim CFO / Interim Finance Manager	Is there evidence that income versus expenditure on school trips have been reviewed on Trip register? Has Head Teacher signed the I&E statement for any school trip which resulted in a loss.		
15	<b>3.6 Banking</b> Bank reconciliations are performed when statements are received.	Monthly	Interim CFO / Interim Finance Manager	Is each monthly reconciliation report initialed by the Interim CFO?		



16	<b>3.6 Banking</b> Cash holdings on the school premises exceed £10,000	Periodic	Finance Director	Spot check Cash holding to cash on hand is less than £10,000.	The school is now cashless. Take out.	
17	<b>3.7 Payroll and Expenses</b> The gross pay for each employee is checked against the agreed Staffing Structure Master list and variations noted. This is reviewed by the Head Teacher and payroll initialled.	Monthly	Head Teacher	Is there evidence of Head Teacher reviewing gross pay with variations noted and initialled on the Staffing Structure Master list?		
18	<b>3.7 Payroll and Expenses</b> Compliance with the agreed Staffing Structure Master List	Termly	AFRE Committee	Are checks undertaken of the payroll by a AFRE Committee member for compliance with Staffing Structure Master List?		
19	<b>3.8 Procurement</b> Approval level and purchase procedure all contracts awarded by tender are within specified limit	Every six months	Head Teacher and AFRE Committee	Spot check contracts below £5000, and all contracts above £5001 (awarded by tender) to ensure correct tender procedure / approval is applied.		
20	<b>3.8 Procurement</b> All items to be considered for leasing will be brought before the Governors Audit Finance & Personnel Committee prior to an agreement being signed. Authorisation and approval will follow procurement and tendering procedure.	Every six months	Head Teacher and AFRE Committee	Is there evidence that Head Teacher and AFRE Committee have reviewed and approved leasing and hiring arrangements?		
21	<b>3.8 Procurement</b> The listing of approved suppliers will be reviewed and approved on an ongoing basis	Periodic	Head Teacher	Is there evidence of review of the Approved Suppliers?		
22	<b>3.8 Procurement</b> Where expenditure is not included in the budget or anticipated expenditure exceeds the budget allocation, the tender decision must be taken by the Audit Finance & Personnel Committee.	Ongoing	AFRE Committee	Has all expenditure which exceeds budget allocation (and requires the tender process) been approved by the AFRE Committee?		
23	<b>3.8 Procurement</b> The reasons for accepting a particular tender must be documented by the Finance Director, especially if it is decided not to accept the lowest tender, and will be	Ongoing	AFRE Committee and Governing Body	Are tendering decisions reported to the AFRE Committee?		



	reported to the AFRE Committee.			Is there an agenda item for Tenders on each AFRE Committee meeting?		
24	<b>3.8 Procurement</b> Having ensured that all of the school's procedures have been followed, MAC authorises payment by signing the invoice.	Ongoing	Interim CFO	Spot check Invoice payments for correct procedure and completion of signatures		
25	<b>3.8 Procurement</b> All cheque payments from public and non-public funds are signed by two of the authorised signatories, and whenever available will include the Headteacher.	Ongoing	Head Teacher	Validate that all cheque payments from public and non-public funds are signed by two of the authorised signatories.	No cheque payments are made. Take out.	
26	<b>3.8 Procurement</b> Ensure all the school's petty cash procedures have been followed and count the float.	Monthly	Interim CFO	Verify that Interim CFO checks to ensure all the school's petty cash procedures have been followed and counts the float on a monthly basis.	There is no petty cash. Take out.	
27	<b>3.9 Fixed assets</b> Checks made that Fixed asset procedures are being followed.	Quarterly	Head Teacher	Verify that Head Teacher test checks on a quarterly basis that Fixed asset procedures are being followed.		
28	<b>3.10 Risk Management</b> The adequacy of insurance is reviewed annually by MAC and tenders are obtained every three years.	Annual	Interim CFO	Verify that Insurance policy is renewed annually and subject to tender every 3 years.		
29	<b>3.12 Exemption process</b> Check that any exemption requests have been minuted in AFRE Committee minutes	Ongoing	Chair of AFRE Committee and minuted by Clerk to the Governors	Verify that the Exemption process is correctly followed.		



Appendix B – Contingency and Business Continuity (This will need to be updated using Head Teachers current risk assessment)

Issue	Impact	Contingency	Insurance Provision	History	Likelihood 1-5	Severity 1-5	Risk Factor
<b><u>Y12 Intake below 100</u></b>	10 students 50K 2 x50K = 100K Need to reduce curriculum	Excellent exam results Excellent relevant curriculum Improved facilities Excellent teaching	N/A	Intake above 100 last 6 years but significant increased competition Consider co-ed	3	4	12
<b><u>External Contracts</u></b>	External contracts eg. Photocopier - ICT having unforeseen impact in terms of financial liability	Tight financial manual Use legal experts to review contracts prior to signing	N/A	Significant negative impact of previous photocopier contract	2	4	8
<b><u>ICT Failure</u></b>	Potential loss of all data and information	System backed up each night	YES	Has happened	2	3	6
<b><u>Fire</u></b>	Loss of part of or all of the school building	During significant building work utilise the school field as a mobile village	N/A	None	1	5	5
<b><u>Y7 Intake not full</u></b>	10 students 50K per annum 50K x 5 yrs = 250K	Excellent exam results Excellent Inspection report Increase in population	N/A	School full in Y7 for past 10 years	1	4	4
<b><u>Boiler Failure</u></b>	Loss of classroom usage in winter	All boilers installed in the last 5 years Annual Maintenance	YES	Prior to new boiler this had taken place leading to closure of area	2	2	4
<b><u>Power Failure</u></b>	Loss of power externally, leading to no heat or lighting	Annual testing Maintenance of internal electrical equipment	YES	This had taken place leading to small areas of the school being cold	2	2	4
<b><u>Flooding</u></b>	Loss of sections of the school due to damage	Ensure drains are cleared on a regular basis	YES	Once flash flooded	1	4	4

The Master copy of this Plan is maintained by the school Interim CFO, with a risk assessment of each of the key risks identified above, and is reviewed annually in the autumn term by the AFRE Committee of the Governing Body.

[Click here to view a copy of the Contingency and Business Continuity Plan](#)

---

## Appendix C – Role of Responsible Officer

### **The Holy Cross School – Responsible Officer (non-mandatory)**

The Responsible Officer (RO) reports to the AFRE Committee.

The aim of the RO role is to monitor and check the operation of the financial management arrangements that have been established and are operated by officers of the academy.

The main duties of the RO are to provide the AFRE Committee with on-going assurance that:-

- The financial responsibilities of the governing body are being properly discharged
- Resources are being managed in an efficient, economical and effective manner
- Effective systems of internal financial control are being maintained
- Financial considerations are fully taken into account reaching decisions

The RO must undertake system checks every year of the areas – payroll, purchases, income and the accounting system.

The RO must undertake a quarterly programme of reviews in accordance with the attached Checklist to ensure that financial transactions have been properly processed and that controls are operated as laid down by the governing body.

The RO is supported by two annual assessments undertaken by an external auditing company.