



Finance and Investment Policy

For the following academies:

St Philip Howard Catholic School

St Mary's Catholic Primary School

Annecy Catholic Primary School

St Joseph's Catholic Primary School

St Paul's Catholic College

This Finance Policy has been approved and adopted by the
Bosco Catholic Education Trust.

Approved:	For review:
November 2019	November 2022

Bosco Catholic Education Trust Mission Statement

The Bosco Catholic Education Trust is a Christ-centred family of Catholic academies, within the Diocese of Arundel and Brighton, working together as one body to provide an outstanding education for all. As Catholic schools, we endeavour to develop confident, compassionate and faithful young people. Through partnership, collaboration and mutual support, we seek to enable all those entrusted to our care to become the person God called them to be.

“Serve the Lord joyfully”

Glossary of Academy Terms

- AAR** Academy Accounts Return - a financial return submitted to the EFA 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 Finance Officer – the CFO is the individual who leads the finance department, such as the finance director, business manager or equivalent
- CPT** Connected Party Transactions - CPT are transactions related to the provision of goods or services by individuals or organisations connected to the academy trust
- 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
- EFA** Education Funding Agency –The EFA 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 EFA
- IS** Internal Scrutiny – this is a process for checking the trusts 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
- 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 *Bosco 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 *Bosco 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.
- *Bosco 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'. (Appendix A)
- The specific roles and responsibilities of all groups of people/ individuals who carry financial and assurance responsibilities within *Bosco Catholic Education Trust* are set out below.
- The DfE will be notified via [Edubase](#) of any alterations to the personnel performing the roles of Member, Trustee, Local Governor, Chairs of trustees/local governing bodies, Accounting Officer and Chief Financial Officer

3.1 Members

The members of *Bosco 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 of the Trust.

3.2 Trustees/ Directors/ Governors - Multi Academy Trust

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

The Board of Trustees are 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 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 the financial monitoring reports on, as a minimum, a termly basis 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 Academy 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
- IS reports and subsequent actions
- Minutes of meetings
- Professional service request correspondence
- Ensuring adequate insurance cover is in place compliant with statutory obligations

3.2.2 Governors – Multi Academy Trust

Each of the schools who are part of our MAT have a local governing body who are represented on *Bosco Catholic Education Trust* Board of Trustees as set out in the Articles of Association.

The Governing Body is responsible for the local management of the academy; their responsibilities and associated level of delegation are defined through the Articles of Association, Terms of Reference and Trust policies.

The governing body evidence that their responsibilities are met through contribution to:

- Review of the financial monitoring reports on, as a minimum, a termly basis, ensuring that variances between budget and actual income and expenditure are understood and addressed
- Benchmarking key performance indicators against similar schools
- Governance Statement within the Annual Report and Financial Statements
- Production and monitoring of a Risk Register

- IS reports and subsequent actions
- Minutes of meetings
- Professional service request correspondence

3.3 Audit Committee

Bosco Catholic Education Trust Board of Trustees have appointed a dedicated Audit & Risk 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 need to take into account the differing risks and complexity of its operations.

The Audit Committee provides assurance to the board that risks are being adequately identified and managed by:

- reviewing the risks to internal financial control at our trust and
- agreeing a programme of work to address, and provide assurance on those risks

To support this, the Audit Committee of *Bosco Catholic Education Trust* have appointed an external auditor to perform a supplementary programme of work.

The audit committee evidence that their responsibilities are met through:

- Professional service request correspondence
- Planning a programme of works informed by the Risk Register
- IS reports and subsequent actions
- Minutes of meetings

Note;

- All trusts with an annual income over £50 million **must** have a dedicated audit committee
- All other trusts have flexibility to establish either a dedicated audit committee, or to include the functions of an audit committee within another committee

3.4 The Accountable Officer

The AO of *Bosco 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 EFA for the resources under the trusts 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 EFA 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 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 handbook 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 handbook, the accounting officer will notify the EFA's accounting officer immediately, and in writing

3.5 Chief Finance 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 have the skills, knowledge and experience to contribute to the management 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
 - internal control framework/financial procedures that support the maintenance of robust internal control arrangements and full and accurate accounting records
- *Bosco Catholic Education Trust* has appointed a finance committee to which the board delegates financial scrutiny and oversight

4.1 Internal Control

Bosco 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
- Preparation of monthly budget monitoring reports
- ensuring that delegated financial authorities are respected
- Effective planning and oversight of any capital projects - Procurement and Tendering Policy/Internal Control Framework
- The management and oversight of assets – Write off and Disposals Policy
- The propriety and regularity of financial transactions
- reducing the risk of fraud and theft – Whistleblowing Policy Anti-Fraud
- 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

Bosco 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 EFA annually in line with the EFA timeline and following their template.

The board of trustees will notify the EFA 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 EFA (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

- *Bosco Catholic Education Trust* funding is based on pupil census data.
- *Bosco Catholic Education Trust* is committed to using our allocated GAG funding for the full benefit of our current pupils.
- Any surplus balances, apart from our contingency of a maximum of 2% of our GAG funding, will be supported by a clear plan for their use in the near future to benefit our pupils.
- This plan is detailed in our 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 *Bosco Catholic Education Trust* articles of association.
- *The Academy* has an Investment Policy to ensure that security of funds takes precedence over revenue maximisation and to ensure value for money.

6. Income Generation

- *Bosco Catholic Education Trust* sets fees for their chargeable services at full cost, **and only apply 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

Bosco 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

Bosco 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 *Bosco Catholic Education Trust*.

7. Procurement and Tendering

- *Bosco 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 in an excel spreadsheet with the relevant expiring dates.
- *Bosco 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 supports the VfM aims of economy, efficiency, and effectiveness. (Pro forma available)

7.2 Leases

- *Bosco Catholic Education Trust* is aware that they may only enter into Operating Leases e.g. rental agreements
- *Bosco Catholic Education Trust* will ask for the Secretary of State's consent if we wish 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

- *Bosco Catholic Education Trust* are aware that they **must** seek the EFA'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
- *Bosco 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. But 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. Connected Party Transactions

Connected 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 *Bosco Catholic Education Trust* has adopted the following policy in line with the Academy Handbook:

Bosco Catholic Education Trust will pay no more than 'cost' for goods or services provided to it by the following persons ('services' do not include services provided under a contract of employment):

- any member or trustee of the academy trust
- any individual or organisation connected to a member or trustee of the academy trust. For these purposes the following persons are connected to a member, or trustee:
 - a relative of the member or trustee. A relative is defined as: a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner
 - an individual or organisation carrying on business in partnership with the member, trustee or a relative of the member or trustee
 - a company in which a member or the relative of a member (taken separately or together), and/or a trustee or the relative of a trustee (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company
 - an organisation which is controlled by a member or the relative of a member (acting separately or together), and/or a trustee or the relative of a trustee (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation

is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes

- any individual or organisation that is given the right under the trust's articles of association to appoint a member or trustee of the academy trust; or any body related to such individual or organisation
- any individual or organisation recognised by the Secretary of State as a sponsor of the academy trust; or any body related to such individual or organisation

A body is related to another individual or organisation if it:

- is controlled by the individual or organisation; or
- controls the organisation; or
- is under common control with the individual or organisation.

For these purposes control means:

- holding more than 20% of the share capital (or equivalent interest), or
- having the equivalent right to control management decisions of the body, or
- having the right to appoint or remove a majority of the board or governing body

The 'at cost' requirement does not apply to the trust's employees unless they are also one of the parties described above, i.e. connected to a member or trustee of the trust.

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 to employment. 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 *Bosco Catholic Education Trust*.

The academy trust keeps a register of interest that captures relevant business and pecuniary interests of members, trustees, local governors of academies 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 trusts website. The Charity Commission 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 £2,000, 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 £2,000, the element above £2,000 must be at no more than cost.

8.3 Professional services

In relation to organisations supplying legal advice or audit services to *Bosco 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

Bosco 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

Bosco Catholic Education Trust will reimburse Trustees/Governors for actual costs incurred in carrying out their duties as specified in the Governor Allowances Policy.

9. Novel and/or contentious transactions

Novel payments or other transactions are those of which *Bosco Catholic Education Trust* has no experience, or are outside the range of normal business activity for the trust. Contentious transactions are those which might give rise to criticism of the trust by Parliament, and/or the public, and/or the media. Novel and/or contentious transactions will always be referred to the EFA by the Board of Trustees for explicit prior authorisation.

10. Delegated Authority – Special payments to staff

10.1 Staff severance payments

If *Bosco 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 *Bosco 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 is 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 (e.g. 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.

Bosco 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/noncontractual payment	EFA prior approval required?
£40,000	£49,999	No
£80,000	£49,999	No
£40,000	£50,000	Yes – for £50,000
£80,000	£50,001	Yes – for £50,001

10.2 Compensation payments

Bosco 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 are 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.

Bosco Catholic Education Trust is aware that, as for severance payments, they have 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 EFA’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 e.g. 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 EFA by the Board of Trustees for prior authorisation.

10.4 Gifts and Hospitality

Bosco 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 which might be seen to compromise the staffs 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.

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

Disposal of fixed assets, apart from the ones mentioned in the next paragraph below are governed by the Write off and Disposals policy

Bosco Catholic Education Trust will seek and obtain written approval from the Secretary of State, via the EFA, for the following:

- Acquiring a freehold on land or buildings;
- Disposing of a freehold on land or buildings; and
- Disposing of heritage assets beyond any limits set out in the trust's funding agreement in respect of the disposal of assets generally.
- Novel or contentious property transactions

12. Accounting Adjustments

Bosco 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. 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.

13. Fund Accounting

Equity is represented in *Bosco Catholic Education Trust* accounts by the Retained Earnings b/f (Fund Balances) and the in-year Income and Expenditure account balance.

Equity that does not represent current assets or liabilities e.g. Fixed Asset (carrying value; non – realisable:

<https://www.gov.uk/guidance/school-land-and-property-protection-transfer-and-disposal>),

[https://www.gov.uk/government/publications/academy-property-transactions/property-](https://www.gov.uk/government/publications/academy-property-transactions/property-informationnotes)

[informationnotes](https://www.gov.uk/government/publications/academy-property-transactions/property-informationnotes) and Pension Liability (reserve) are clearly earmarked in separate restricted Funds.

This enables general funds i.e. working capital (current assets – current liabilities) to be easily identified using *Bosco Catholic Education Trust* software and reporting; minimising the risk that users of the reporting can misinterpret the information presented, believing that the trust has more working capital available than is the case.

13.1 Income recognition within Funds

A schedule of income recognition (template available) is held indicating how income received and associated expenditure is treated within *Bosco Catholic Education Trust* accounts, where the source of the income is additional to or being treated differently from the treatment indicated below:

- **Unrestricted fund** – this contains resources which can be spent on any purpose at the discretion of the trustees, within the objects of the academy trust as set out in its governing documents. It will include the following incoming resources and related expenditure:
 - *fees for hiring out facilities such as rooms and sports pitches*
 - *fees from parents for private music tuition*
 - *fees from parents for private nursery provision*
 - *fees for school meals*
 - *donations with no restrictions attached*

- **Restricted general fund** – this contains revenue (running costs) resources which can only be spent for particular purposes. It would include the following incoming resources and the related expenditure:
 - EFA General Annual Grant (GAG), including:
 - school budget share
 - minimum funding guarantee
 - education services grant
 - *allocation protection*
 - *pre-16 high need funding*
 - *post-16 high needs funding*
 - other EFA revenue grants such as pupil premium
 - other government revenue grants, including local authority funding for high needs pupils
 - donations with restrictions attached (i.e. received for specific revenue purposes)

Restricted fixed asset fund – as indicated in [13](#) this must equate to the net book value (NBV) of the fixed assets on the Balance Sheet. Related expenditure i.e. depreciation will be charged to this fund ensuring that this remains the case. The fund does not represent working capital, but incoming resources, and subsequently their NBV.

Income that has been received for the purpose of purchasing resources that will enhance the value of the Fixed Assets e.g. EFA and other government capital grants *are* reflected in this fund but for clarity regarding working capital this income is held in an additional restricted fund pending related expenditure taking place and is then transferred to the Fixed Asset Fund at the point that the Assets are recognised on the Balance Sheet.

14. Retention of Finance and Payroll Records

All records relating to the Financial Management of *Bosco 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. (*Edit if appropriate for your Academy*)

15. Whistleblowing

Bosco Catholic Education Trust has a policy in place for whistleblowing and ensures via the Staff Handbook/Noticeboard/Inset (*delete/amend if appropriate*) that all staff are aware to whom they can report their concerns, and the way in which such concerns will be managed.

16. Risk Management

Bosco Catholic Education Trust has made a considered choice about its desired risk profile, taking account of its legal obligations, business objectives and public expectations. We have recognised and are managing present and future risks to ensure our effective and continued operation which are recorded in a risk register.

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

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-of-public-life-2>