



MIDDLESEX
LEARNING
PARTNERSHIP

Middlesex Learning Partnership Finance Policy

1. Aim

The aim of this policy is to outline the financial procedures and practices in place at Middlesex Learning Partnership. It will clearly define the roles and responsibilities of the Board of Trustees, Local Governing Bodies, the Audit Committee, individual Headteachers and other staff, and the limits of delegated authority established. The Trust is guided by the provisions contained in the 'Academies Finance Handbook' and 'Academies Accounts Direction' issued by the Education and Skills Funding Agency (ESFA).

For the avoidance of doubt, the provisions of this policy are deemed to apply to both Middlesex Learning Partnership and any subsidiary company

2. Structure of Policy

This document consists of a main policy, with a number of related policies included as annexes.

Finance Policy

Appendix 1 – Signature Mandate

Appendix 2 – Procurement guidelines

Annex 1 - Trust Charging Policy

Annex 2 – Fraud and Anti-Bribery Policy

Appendix 1 – Basic risks and threats of fraud

Appendix 2 – Fraud Response Plan

Annex 3 – Staff Expenses Policy

Annex 4 – Policy on Payment of Expenses to Trustees, Governors and Members

Annex 5 – Policy on Revenue Generation / Letting of School Facilities

3. Roles and Responsibilities

Overall responsibility for the financial management and budgetary control of the Trust rests with the Board of Trustees. The Board has prime responsibility for proper stewardship of the Trust's funding and ensuring that Middlesex Learning Partnership uses that funding only for the purposes set out in the Funding Agreement.

Responsibilities of the Board of Trustees

- To set overall Finance Policy for Middlesex Learning Partnership , including the scheme of delegation for procurement;
- To consider annual funding for the Trust as a whole, making an assessment of potential implications and taking such action (in conjunction with Local Governing Bodies) as may be appropriate;
- To keep the longer term financial position, and likely funding trends, under review and take such action as may be appropriate;
- To agree the annual consolidated budget for the Trust;
- To review the financial statements which form part of the annual report of the Trust. Once reviewed, the Board of Trustees will recommend to Members that the Statutory Accounts are formally adopted prior to filing in accordance with Companies Act and Charity Commission requirements;
- To ensure each school, and the Trust as a whole, complies with the Funding Agreement(s);
- To act within the schedule of freedoms and delegations included as part of the Academies Financial Handbook;
- To formally appoint an Accounting Officer and Chief Financial Officer for the Trust; and
- To agree the remit and membership of the Trust's Finance Audit and Risk Committee.

Finance, Audit & Risk (FAR) Committee

- To set a budget framework for individual schools for the coming year;
- To challenge the Trust budget for the coming year and make a recommendation to the Board for approval;
- To regularly review and challenge budget monitoring and cashflow reports for the Trust as a whole;
- To make financial / procurement decisions as prescribed under the Scheme of Delegation;
- To formally appoint bank signatories at each of the individual schools within the Trust, and to agree the financial levels of delegation for each signatory; and
- To approve policies as required by the Scheme of Delegation.
- To advise Trustees on the effectiveness of the Trust's governance, compliance, risk management and internal control systems;
- To recommend the appointment or reappointment of external auditors to the school;
- To receive reports from the Responsible Officer and/or internal / external auditors and to ensure follow up action in response to findings;
- To oversee Trust arrangements in relation to anti-fraud / anti-corruption / anti-bribery and to carry out investigations as may be required;
- To ensure adequate oversight of other risk areas inc data protection and cybersecurity;
- To manage the Trust wide risk register; and
- To approve policies as required by the scheme of delegation.
- To consider the school's indicative funding and to assess its implications, drawing any matters of significance or concern to the attention of the Board of Trustees;

- To recommend to the Board of Trustees a detailed school budget at the start of each financial year;
- To approve the allocation of new, unallocated or surplus funds and the virement of funds between budget headings;
- To approve funds to be spent on prescribed capital projects subject to overall Trust priorities and ESFA / statutory regulations;
- To monitor and review expenditure on a regular basis and ensure compliance with both the overall financial plan for the school and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Board of Trustees;
- To contribute to the formulation of individual school Development Plans through the consideration of financial priorities and proposals in consultation with the relevant Headteacher;
- To ensure day-to-day compliance with this policy and keep under review adherence to the Trust's procedures for financial monitoring and control. The FAR is responsible for ensuring the operational implementation of any internal / external audit recommendations, as well as any changes in practice agreed by the Board of Trustees;
- To liaise with and receive reports from other committees as appropriate and to make recommendations to those committees about the financial aspects of matters being considered by them;
- To approve debt write-offs and asset disposals in line with their delegated authority; and
- To deal with any finance related parental complaints if not otherwise resolved by the individual school.

Non-executive members of the school community (ie Members, Trustees and members of the Local Governing Body) do not have authority to independently enter into any financial commitment. All financial commitments must be discussed and supported at the appropriate governance meeting, be minuted accordingly and should comply with the usual Trust procurement processes.

Responsibilities of the Accounting Officer.

The Board of Trustees will appoint an Accounting Officer for the Trust. They are responsible to Parliament and the ESFA Accounting Officer for the financial resources under the Trust's control. The Accounting Officer is responsible for ensuring regularity, probity and the avoidance of waste and extravagance in the use of public funds.

The Accounting Officer will always sit on the main Board of Trustees, as well as on the Board of any subsidiary company.

Financial responsibilities to be delegated to individual Headteachers.

- The day-to-day financial management and budgetary control within individual schools;
- Compliance with the Trust's financial regulations and ensuring that sound internal systems of control are in place to allow the proper processing of the school's transactions;

- Ensuring the efficient and effective allocation of resources within their school in pursuance of agreed educational priorities, as approved by the Local Governing Body and Board of Trustees;
- Ensuring regular monthly monitoring of the school budget;
- Authorising individual purchases up to £10,000. All purchase orders must be signed by the Headteacher;
- Authorising expenditure, as required, within the agreed budget plan for the school;
- Authorising virements between budget headings up to £25,000 (for secondary schools) or £10k (primary schools). All such virements should be reported to the FAR at their next meeting;
- The school will endeavour to recover all monies due from invoices raised. Once all attempts to recover monies have failed, the Headteacher is authorised to write off sums within their individual school under £100. The Headteacher may similarly authorise asset disposals within their school of upto £500 per item.

Responsibilities of the Responsible Officer

The Board of Trustees will appoint a Responsible Officer who will undertake a series of spot checks three times a year. The role of the Responsible Officer is to provide the FAR Committee with independent assurance that:

- The financial responsibilities of the Trust and Local Governing Bodies are being properly discharged;
- Resources are being managed in an efficient, economical and effective manner;
- Sound systems of internal control are being maintained;
- Financial considerations are being taken fully into account in reaching decisions.

After each visit, the Responsible Officer will submit a report to FAR Committee on his/her findings.

Responsibilities of the Chief Financial Officer (CFO)

The Trust will employ an appropriately qualified individual to fulfil this role, who holds the following key responsibilities:

- To manage the school's consolidated financial position;
- To ensure that the annual accounts are properly presented and adequately supported by the underlying financial records;
- To provide technical accounting advice to the Board of Trustees and individual schools on legislative and regulatory requirements, including compliance with ESFA requirements;
- To act as primary point of contact to the FAR Committee.
- Preparation and distribution of monthly management accounts.
- Establish and maintain effective systems of internal control.

Responsibilities of the Local Finance Staff

- The day-to-day operational management of financial issues including accounting systems, payroll, pensions, cashflow management, purchase ledger and debtors accounts.

Responsibilities of Trust Staff generally

All staff within the Trust share the responsibility to ensure that effective and efficient use is made of resources. Specifically, staff should:

- To ensure that all purchases are made with due regard to budget availability. Where no budget has been allocated, or extra funds are required, a budget request must be made to the relevant Headteacher before any funds are committed;
- To ensure that all purchases are made in line with agreed school procedures and the school development / improvement plan, having regard to the need to secure best value for money;
- To ensure that financial procedures are adhered to and that a high standard of transparency and probity is adopted at all times;
- To ensure that school property is appropriate safeguarded; and
- To ensure that any conflicts of interest or gifts/hospitality are declared;

4. Financial year

The financial year for Middlesex Learning Partnership (and any subsidiary companies) runs from 1 September to 31 August.

The annual budget is prepared in line with the timetable and deadlines set by the Education Skills and Funding Agency (ESFA). Individual school budgets are approved by the FAR Committee. The consolidated trust budget must be approved by the Board of Trustees before submission to the ESFA.

The Trust accounts will be audited and submitted to Companies House no later than 31 December each year.

5. Formal Accounting Policies

Form of Financial Statements

The standard format for the financial statements as required by the Companies Act 2006 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in 2015 (SORP 2015) and reflects the activities of the Trust.

Incoming Resources

Grants are included in the statement of financial activities on a receivable basis. The balance of revenue received for specific purposes, but not expended during the period, is shown in the relevant funds on the balance sheet.

Donations are included on a cash received basis or on an accruals basis where they are assumed with reasonable certainty and are receivable at the balance sheet date.

The value of donated services and gifts in kind are recognised as incoming resources and resources expended at their estimated value to the Trust in the period in which they are receivable, and where the benefit is both quantifiable and material.

Interest receivable is included within the statement of financial activities on a receivable basis.

Resources Expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

In accordance with Charities SORP, expenditure has been analysed between the cost of generating funds, the Trust's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned.

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and governors meetings and reimbursed expenses.

The materiality rule for accruals is £2,000.

Funds Accounting

General funds represent those resources which may be used towards meeting any of the objects of the Trust, at the discretion of the Board of Trustees and Local Governing Bodies.

Restricted funds comprise grants from the DfE and other donors which are to be used for specific purposes.

Tangible Fixed Assets

Tangible fixed assets acquired since conversion are included in the accounts at cost. Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities (and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets costing less than £1000 are written off in the year of acquisition. All other assets with a value of over £1000 (for individual assets) and £1500 (for group assets) are capitalised.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principle annual rates for other assets are:

Freehold Land / Buildings and major capital building works – 2% SL

Plant and Machinery - 15% SL

Furniture and equipment - 25% SL

Computer equipment and software – 25% SL

Motor vehicles (where owned) – 25% SL

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Reserves Policy

The Trust has a Reserves Policy which is reviewed annually by the Finance, Audit & Risk Committee. The Committee is required by the Trust to determine the appropriate levels of free reserves and recommend these to the Board of Trustees for approval. Previously the Board approved a reserves policy which required the Trust to hold at least one month's salary costs for the Trust as a cash surplus.

Stock

Unused stationery and catering stores are valued at the lower of cost or net realisable value.

Leased assets

Rentals applicable to operating leases (where substantially all of the benefits and risks of ownership remain with the lessor) are charged to the statement of financial activities on a straight line basis over the lease term.

Under the terms of its Funding Agreement with the DfE, individual schools within the Trust may not enter into any type of finance lease / loan agreement.

Taxation

Middlesex Learning Partnership is a registered charity and, as such, is exempt from income tax and corporation tax under the provisions of the Income and Corporate Taxes Act 1988. The cost of unrecoverable VAT incurred by the Trust has been included in the statement of financial activities.

Pensions

Trust staff are members of one of two pension schemes which are defined benefit schemes.

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers Pension Scheme (TPS). TPS is a statutory contributory, final /average salary scheme administered by Teachers Pensions. As the school is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Trust has taken advantage of the exemption in Financial Reporting Standards (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions paid by the school in the year.

Support staff are offered membership of the Local Government Pension Scheme (LGPS). LGPS is a defined benefit pension scheme and is able to identify the Trust's share of assets and liabilities and the requirements of FRS17, Retirement Benefits, have been followed. The Trust's share of the LGPS assets is measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

6. Investment / Treasury Management Policy

Trustees have overall responsibility for the security and management of Trust funds. They will follow the following principles in relation to treasury management:

- They will ensure sufficient funds are always in place at short / no notice to enable the Trust to meet foreseeable financial commitments. The Trustees have decided all schools should have an amount equivalent to four weeks' total expenditure in an immediately accessible account.
- They will seek to earn an acceptable rate of return on surplus funds, without incurring undue risk. In seeking to invest surplus funds, Trust policy is geared towards avoiding risk rather than maximising return.
- They will comply with the Trust's Funding Agreement, Articles of Association and the Academies Financial handbook.

The Trust is not permitted to borrow funds without the prior permission of the Secretary of State. Any overdraft / borrowing will only be undertaken with the additional approval of the Local Governing Body and Board of Trustees.

Individual schools within the Trust will operate at least one interest bearing current account with a bank or building society approved by the Board of Trustees. Such an account will contain funds sufficient to cover their immediate and forthcoming financial commitments, plus sufficient contingency (equivalent to four weeks total expenditure) for unexpected payments. The Trust account will act as point of receipt for monthly GAG funding. Schools may operate additional accounts in order to facilitate effective management of their School Activities Fund and any other parental donations.

The FAR Committee may invest funds for no more than six months at any time and all investments will be reported back to Trustees as part of regular financial reporting from individual schools. Schools are strongly advised to split larger deposits between a number of approved suppliers.

The Board of Trustees is the sole authority to:

- Give approval to the opening of new bank or building society accounts;
- Agree / Amend the list of approved institutions;
- Give approval to any long term bank or building society deposits above six months in length;
- Give approval to an investment product other than with a bank or building society.

Day to day management of the treasury function falls to the Chief Financial Officer. The Board of Trustees delegates to the CFO authority to place deposits on behalf of any school within the Trust. All deposits will be agreed in advance by the FAR committee.

The CFO will maintain a register of all deposits / investments. Such a register will contain the following information:

- Institution with which the deposit was made
- Date deposit was placed
- Amount deposited
- Interest rate secured
- Date of maturity
- Amount returned
- Amount of interest earned

7. Organisational Structure and Internal Control

The Trust's Signatory Mandate (Appendix 1) sets out authorisation requirements for orders and payment of invoices. It lists those members of staff and Governors / Trustees who can authorise payment. Every payment must be authorised by two signatories.

No person can approve an order, invoice or payment where they themselves, a member of their immediate family or a company in which they hold a pecuniary interest are a beneficiary.

Where the scheme of delegation requires multiple quotes to be obtained, but it is not possible to do so, the approval of the relevant member of Senior Leadership or Governor / Trustee must nevertheless be sought in order to proceed with the purchase. In all cases where this discretion is used, it must be brought to the attention of the appropriate Committee and minuted at the next meeting.

For reasons of expediency, approval for a purchase may be sought from the appropriate Committee 'out of session'. Such approvals must always be documented and must be noted in the minutes of the next meeting.

The Trust has an approved Scheme of Delegation (Appendix 2) which sets out the tender process to be followed for each purchase / contract and who has authority to award a contract / sign the subsequent order.

Individual schools may allocate funds to budget holders each year for use in their departmental areas. Purchase order requisitions should be signed by the budget holder before passing to the local Finance Team who will check that the correct procurement process has been followed and that enough money is left in that budget before generating a formal order. Each school within the Trust should appoint a designated person within Senior Management who will sign all purchase orders before they are placed with the supplier.

Each individual school is responsible for checking goods against delivery notes. Where possible, the budget manager should delegate the responsibility for checking delivery to another member of staff to ensure segregation of duties in the ordering of goods and services and the authorisation of invoices for payment. Any shortfalls or errors should be reported to the supplier and followed up, or referred to local Finance Team.

Once an invoice is received, the local Finance Team will match the invoice to the order, ensure it is correct, has not been previously paid and that VAT is correctly accounted for.

The final control is exercised by a minimum of two authorised bank signatories before the payment is approved via BACS.

The Trust's Statement of Internal Control is contained within the statutory accounts and will be reviewed on an annual basis as part of the annual audit process.

8. Financial Limits of Responsibilities

Virements between budget areas are permitted up to the limits below:

Headteacher – up to £10,000

Chief Executive Officer – up to £25,000

LGB – up to £50,000

Directors – over £50,000

9. Procedures

Banking arrangements

The Trust reviews its banking arrangements on a regular basis. The Education and Skills Funding Agency (ESFA) transfers funds into the Trust bank account on a monthly basis and funds are subsequently distributed to the schools.

Payments must be approved by a minimum of two authorised signatories. Individual schools cannot go overdrawn. Each school receives monthly bank statements and these are reconciled by the Local Finance team. Each bank reconciliation must be checked and signed off on a monthly basis by the CFO.

School Charge Cards

In order to facilitate payment for goods and services online (particularly where this is the only method of payment or is the route that secures best value for money), individual schools may hold a business charge card.

The card must be kept securely and may only be used by the cardholder or a designated member of the Finance Team. Staff wishing to use the card must submit an order request in the usual way to the Finance Team. Where a purchase is above £1,001, the appropriate number of quotes must be sought (see Appendix 2).

The statement will be independently reviewed and signed off by the cardholder at the end of each month and the individual school must settle the account balance **IN FULL** by direct debit at the end of each statement period (thus avoiding any interest charges).

In line with the Academies Financial Handbook, the card may only be used for business expenditure.

Education Skills and Funding Agency (ESFA) returns

The Trust is required to comply with all reporting requirements set out by the ESFA.

Purchasing & Expenditure

It is the duty of every member of staff, every member of the Local Governing Body and every Trustee to ensure that the Trust receives value for money and that purchases are properly authorised. The procurement guidelines (Appendix 2) contains details of the procurement route to be followed and who is authorised to agree a purchase / contract award.

It is the responsibility of the authorising signatory to ensure that the appropriate procedure has been followed. Local Finance Teams are not authorised to raise an official order until due process has been demonstrated.

Payroll

Each school in the Middlesex Learning Partnership uses an outsourced payroll provider responsible for determining the appropriate national insurance, income tax and other

relevant deductions on the basis of information provided each month by the individual schools. The payroll input is prepared by the HR and Finance Teams.

All submissions to payroll including supply timesheets, mileage claims and overtime returns must be authorised in accordance with the school's delegation mandate.

Mileage and subsistence allowance will be reimbursed at HMRC rates and will be processed via payroll to ensure correct treatment for tax, superannuation and national insurance.

The payroll is checked again on its return by the Finance Team to ensure all input has been posted correctly prior to final sign off by the Headteacher within each school on a monthly basis.

Other Revenue

Individual schools may choose to operate a secure online payment system.

Cash receipts taken in by anyone other than a member of the local Finance Team (eg. bake sales, non-uniform collections) must be counted and initialled by the member of staff responsible and then immediately passed to the local Finance Team who will double check and issue a receipt for the money.

The local Finance Team will record all revenue on the computerised accounting system. All revenue is retained in the school safe prior to banking.

The local Finance Team will issue an official school invoice for all goods and services provided by individual schools in compliance with any VAT regulations which might apply.

Copies of all invoices will be retained on file in numerical order for inspection by HM Revenue & Customs.

Each school will endeavour to receive all monies due from invoices raised. Once all attempts to recover monies have failed, individual Headteachers are authorised to write off sums under £100. Local Governing Body approval is required to write off of larger sums.

School Activities Fund

Each school is required to account separately for its School Activities Fund, used for school trips and other such activities. All funds must be managed via the computerised accounting system and will be accounted for as part of the main school statutory accounts.

10. Payments to individuals

All salaries paid to individuals must be made through the payroll system in order that appropriate statutory deductions can be made. Any individual who wishes to receive

payment gross of deductions must provide evidence that they are self employed in the form of a Unique Reference Number issued by HMRC. Subject to IR35 regulations.

Claims for reimbursement of expenditure are settled regularly by BACS. Claim forms should be fully supported with receipts and be authorised by the relevant budget manager.

Mileage allowances and other claims (eg lunchtime clubs and duties) will always be paid via payroll. Claims must be with the local Finance team by the last working day of the month.

It is the responsibility of all staff to ensure that any claim they wish to make is properly authorised and submitted to the local Finance team in good time for the claim to be settled that month.

11. Personal Gifts and Hospitality

As a recipient of public sector funding, Middlesex Learning Partnership recognises the importance of ensuring transparency in its purchasing procedures. All staff should take care to ensure that they do not put themselves or the school in a position whereby purchasing practices are brought into question.

It is against the law for public servants to take bribes. Staff, governors, trustees and volunteers should not accept any gift that may be construed by others as a bribe, or lead the giver to expect preferential treatment. There are occasions where small gestures of appreciation may be offered to staff (eg Christmas or the end of the academic year), or hospitality offered. It is recommended that all such instances are reported to individual line managers. It is unacceptable to receive regular gifts on a regular basis of any significant value. For safeguarding reasons, staff should be aware of the sensitivity around accepting regular gifts from students.

Gifts or hospitality over £25 in value may only be accepted with the approval of a member of SLT (or the Chair of the Local Governing Body). A record of all such gifts should be kept within each school. Individual schools are required to make their Registers of Gifts and Hospitality available for inspection by internal / external auditors and the Board of Trustees as required.

Personal gifts must not be given to students as this may be misconstrued. Rewards given to students should always be within the individual behaviour / rewards policy of the individual school concerned.

12. Security of Assets

- The Headteacher at each school has responsibility for the safe custody and control of cash and other property.
- Curriculum co-ordinators have responsibility for the maintenance of stock levels within their own subject areas.

- Individual schools must put appropriate arrangements in place to ensure that any items valued at over £250 is accounted for regularly.
- A register must be kept locally for staff to sign before removing school property from the premises.
- Items under £500 can be written off by individual Headteachers. Local Governing Body approval is required to dispose of items valued at more than £500.
- The consent of the Secretary of State for Education must be obtained before the disposal of any asset for which a grant of over £20,000 was made.
- Individual Schools within the Trust are responsible for designating individuals to act as keyholders for the school safe. Cash held in the safe should be kept to a minimum and there should be regular banking of monies via a secure collection service.
- Schools within the Trust should be fully alarmed throughout, with the alarms set each night.

13. Asset Disposal Policy

Any item listed on the school asset register or inventory may not be disposed of without reference to the local Finance Team. Where the asset has a current net book value of more than £500, such a disposal will be referred to the relevant Headteacher for approval. In all cases, the relevant budget manager / Head of Department must approval the disposal

Equipment may need to be disposed of for a number of reasons (eg. the item is broken, no longer needed as a result of procedural / curriculum changes, no longer supports current software etc). The reason for disposal should be stated in all cases.

There are a number of ways of disposing of items:

- Donation to another school / public sector organisation
- Sale (either in working condition or for scrap)
- Destruction / recycling

The appropriate method of disposal will be determined by the age, condition, functionality and potential market value of the item concerned. Items should not be sold or donated for reuse unless they are in a safe condition. For electrical items, they should hold a valid PAT testing certificate. IT equipment may not be disposed of without the approval of the local IT team (in order to ensure that all data and software is removed). All identifying marks connecting the item to the Trust and individual schools should be removed before disposal

All redundant IT equipment will be disposed of through an authorised contractor. This should include a written receipt for the item including an acceptance that the disposal will conform to all relevant legislation in force at the time.

Where assets have a resale value, the school should seek to recover the maximum sale price possible for the school. This can be achieved in a number of ways:

- Via a 'sealed bid process', with the highest offer being successful. The bidding process should be advertised and transparent to all, be subject to a clear deadline and all bids should be jointly opened by two members of staff.
- Via a process of seeking a general resale valuation from external companies.
- Via a process of seeking a specialist valuation.

Where it is proposed to sell an item to a commercial company, at least two valuations should be sought to ensure best price.

Individual schools should make it clear that all items donated or sold are 'sold as seen' and that no warranty is offered as to its expected lifespan. Prospective recipients should be offered an opportunity to inspect the item.

A receipt should be issued for all items sold.

14. VAT

Middlesex Learning Partnership is not currently registered for VAT but is able to reclaim VAT paid on goods and services using HMRC form 'VAT126'. The Chief Financial Officer or designate submits this form on a regular basis on behalf of the whole Trust. Supporting documentation is held by individual schools.

15. Insurance

The primary schools within Middlesex Learning Partnership subscribe to the Risk Protection Arrangement (RPA) operated by the Department for Education. Due to the PFI arrangement, BCCHS secures its own insurance via brokers Griffiths and Armour.

The Trust enters into commercial insurance for those areas not covered by the RPA and this is tendered centrally in line with the agreed procurement rules. This includes school minibuss insurance, occasional business use (OBU) cover, engineering insurance and inspection cover.

Any loss or incidents that may give rise to a claim must be immediately notified to the local Finance Team, who will liaise with the insurers accordingly.

The attention of all staff is drawn to the fact that certain policy exclusions and excesses will be in operation. A failure to take reasonable care of school property may negate any claim.

Disclaimers are displayed that the school cannot accept responsibility for the loss or damage to personal property.

16. Register of Interests

All Governors, Trustees and staff with significant financial or spending powers are required to act in the best interests of the Trust and to avoid situations where there may be a potential conflict of interest.

Situations may arise where family interests or financial interests, or loyalties, can inhibit free discussion, or result in decisions or actions that are not in the best interests of the Trust. This may lead to external criticism and the impression that the Trust has acted inappropriately.

All Governors, Members, Trustees and members of Senior Leadership are therefore required to make an annual written declaration of both pecuniary and non-pecuniary interests (ie conflicts of interest). These declarations will be open to public inspection via GIAS, Companies House and the Trust websites. Individuals are also required to absent themselves from any discussion or decision from which they may benefit personally, either directly or indirectly.

17. Delegation of Responsibilities

In cases of urgency the Chair of the Local Governing Body, acting jointly with the Chair of FAR Committee and relevant Headteacher, may take decisions on behalf of the Local Governing Body, within the limits of the powers delegated by the Board of Trustees.

18. Charging and Remissions Policy

As a publically funded education provider, Middlesex Learning Partnership provides its core education provision free of charge.

There are circumstances where a charge may be levied for non-statutory services and, in line with the 1988 Education Act, Middlesex Learning Partnership has a 'Charging Policy' which sets out when such charges may be levied.

Approval / Revision History

Revision date	By	Summary of Changes Made
Jan 2020	Board of Trustees	<i>Updates to incorporate amendments from AFH 2019. Annex 4 amended to make clear Trustees are included. Whistleblowing converted into stand alone policy. New accounting rules incorporated. Bank mandate updated. Anti bribery and treasury management sections improved. Conflict of interest section improved.</i>
Jan 2021	Board of Trustees	<i>Date of next review</i>

Appendix 1 – Signatory Mandate

No signatory may approve a BACS payment that authorises payment to themselves, a member of their immediate family or a company in which they hold a pecuniary interest.

Signatories need to scrutinise accompanying documentation when asked to approve a payment to ensure that the payment is valid and suitably authorised.

Barnhill Community High School

The following individuals are authorised to approve payments on behalf of BCHS:

Executive Headteacher
Headteacher
Deputy Headteachers

All payments require two signatories, in any combination.

William Byrd Primary Academy

The following individuals are authorised to authorise payments on behalf of William Byrd Primary Academy:

Executive Headteacher
Headteacher
Deputy Headteacher
Assistant Headteacher

All payments require two signatories, in any combination.

Belmore Primary Academy

The following ten individuals are authorised to approve payments on behalf of Belmore Primary Academy:

Executive Headteacher
Headteacher
Deputy Headteacher
Assistant Headteacher

All payments require two signatories, in any combination.

Appendix 2 – Procurement Guidelines

<u>Value</u>	<u>Tender process</u>	<u>Supplier authorisation</u>	<u>Order / Invoice Authorisation</u>	<u>BACS authorisation</u>
0 - £1,000	Competitive quotations are not required	Budget manager	Budget manager	Any two signatories
0 - £3,000 FACILITIES ONLY	Competitive quotations are not required	Budget manager	Budget manager	Any two signatories
£1,001 - £3,000	Two quotes	Budget manager	Budget manager	Any two signatories
£3,001 - £10,000	Three quotes	Headteacher/ member of SLT, on recommendation of budget manager.	Headteacher / member of SLT, on recommendation of budget manager.	Any two signatories
£10,001 - £50,000 (revenue) £10,001 - £100,000 (capital)	Formal tender process, with at least three responses received	Local Governing Body (who may delegate to a Committee)	Authority delegated by LGB to Headteacher	In line with bank mandate
All Trust wide purchases over £10,000	Up to £50,000 - formal tender process, with at least 3 responses received Over £50,001 – formal tender process with at least 4 responses received	FAR Committee	Authority delegated to CEO	In line with bank mandate
£50,001 - £100,000 (revenue) £100,001 - £250,000 (capital)	Formal tender process, with at least four responses received	FAR Committee	Authority delegated to CEO	HT plus Chair of Govs only
More than £100,000 (revenue) More than £250,000 (capital)	Formal tender process, with at least six responses received, plus any necessary OJEU compliance	Board of Trustees	Authority delegated to CEO	HT plus chair of Govs only

In all cases, it is the **total value of the purchase** which dictates the appropriate level of activity. For a three-year contract, for example, it is the total value of the contract, over all three years, which is the relevant figure.

Formal tenders must be submitted in sealed envelopes by the set deadline time then opened in the presence of the Headteacher and a member of FAR Committee.

In all cases, funds may not be committed without budget being available. Where no budget has been provided for a purchase or activity, funds must be sought in advance from the Headteacher or CFO.

Trip expenditure

Local schools are required to put processes in place to ensure that ‘best value’ is obtained for activities funded by parental donations (eg. day and residential trips). This may take a number of forms eg competitive tendering (in full or in part) and robust cost challenge by the local finance department. Trustees recognise that there are a range of important factors (other than cost) in determining an approved provider for such activities. For safety reasons, using a known travel agent, with a familiar itinerary and hotels with which the school is already familiar, is an important factor (especially for overseas trips where it is not practical for school staff to conduct familiarisation visits).

Scheme of Delegation by Appropriate Body

Board of Trustees	<ul style="list-style-type: none"> • Authorisation for asset disposals over £10k • Local budget virements in excess of the overall budget envelope • Increases to local budgets • Debt write offs in excess of £10k, upto £45,000 or 1% of budget (ESFA approval required thereafter)
FAR Committee	<ul style="list-style-type: none"> • Authorisation for asset disposals between £2.5k and £10k • Debt write offs in between £2.5k and £10k • Budget virements up to £50k upto overall delegated budget limit
CEO	<ul style="list-style-type: none"> • Asset disposals between £500 and £2500 • Budget virements up to £25k upto overall delegated budget limit (secondary schools) • Debt write offs between £500 and £2500
Headteachers	<ul style="list-style-type: none"> • Asset disposals under £500 • Budget virements under £10k (primary)

Annex 1 - Middlesex Learning Partnership

Charging Policy

1. Principles

The 1988 Education Act requires all schools to have a clearly defined policy on charges and on the remission of charges for school activities and sets out the legal framework in which such policies have to be set.

The Board of Trustees is ultimately responsible for the implementation of this policy. Trustees delegate responsibility for day-to-day compliance with this policy to individual Headteachers / Local Governing Bodies.

2. 'Free of Charge' activities

No charge will be levied for any of the following:

- An admission application to the school
- Statutory education provided during normal school hours (including the supply of materials, exercise books, text books, instruments or other equipment)
- Education or activities provided outside normal school hours that are part of the National Curriculum, or part of a syllabus for a prescribed public examination that students are being prepared for at the school, or part of the basic curriculum for Religious Education.
- Music Tuition that is deemed part of the National Curriculum, or part of a syllabus for a prescribed public examination that students are being prepared for at the school
- Entry for a public examination, if the student has been prepared for it at the school (see Section 6 below for detailed guidance on when exam fees are payable)

Where an activity is partly in and partly out of school time, it is deemed to be in school time if at least 50% of the time is during normal school sessions.

3. Chargeable Activities

Secondary schools within the Trust may levy charges for the following:

- Any materials, books, instruments or equipment where the student or parent wishes to retain ownership. This includes items such as those prepared in D&T (resistant materials or food tech), which a student takes home.

- Everyday equipment required by students in order to complete their work eg. replacement pens, pencils, art equipment etc.
- Photocopying and printing costs, where those costs exceed a reasonable limit set by the school.
- Education provided outside normal school hours which is not part of the National Curriculum, or part of a prescribed syllabus for which the student is being prepared or part of Religious Education
- Exam entry fees (including resits) where students have not been prepared by the school
- Voluntary activities which do not form part of the National Curriculum and which mainly or wholly take place outside school hours.
- The administrative costs of running the work experience programme for Year 10/12 students
- The cost of hiring a secure locker for student use during the school year. (BCHS only)

Primary schools within the Trust may levy charges for the following

- Photocopying and printing costs, where those costs exceed a reasonable limit set by the school.
- Education provided outside normal school hours which is not part of the National Curriculum, or part of a prescribed syllabus for which the student is being prepared or part of Religious Education
- Board and lodging on a residential visit
- Voluntary activities which do not form part of the National Curriculum and which mainly or wholly take place outside school hours.

In all situations, parents/carers have a choice as to whether the student participates in any of the activities above.

Individual schools also reserve the right to charge for deliberate damage to books, furniture, fixtures and fittings, and equipment caused by carelessness or bad behaviour. Schools may also charge for replacement items, originally issued free of charge, which have subsequently been misplaced or damaged (eg locker keys, school planners).

4. Voluntary Donations

From time to time, individual schools may seek voluntary donations for activities (including those which take place during the school day) which, in the view of the Local Governing Body, it would be prohibitive to finance from within school funds. This includes enrichment activities, out of hours intervention sessions and school trips (include board and lodging). Student participation in any such activity that takes place will not be dependent upon making a donation, but the Headteacher reserves the right to withdraw any activity where donations have been sought if, in their opinion, the amount donated is insufficient to make the activity financially viable.

5. Cases of Financial Hardship

In order to remove financial barriers and encourage the full participation of financially disadvantaged students, the Headteacher may reduce charges in the following circumstances:

- A student is currently eligible for free school meals

A student may be eligible for free school meals if parents / carers are in receipt of any of the following:

- Income support
- Income-based job seekers allowance
- Support under Section VI of the Immigration and Asylum Act 1999
- Child Tax credit, providing that working tax credit is not also received and the total family income (as assessed by HMRC) does not exceed the sum prescribed by HMRC rules
- Guaranteed State Pension.

The attention of all parents / carers is drawn to the fact that the school receives extra funding (known as the 'Pupil Premium') for all students registered for free school meals. This funding is specifically intended to support these students and may be used to facilitate their inclusion in essential curriculum-led trips and activities. Parents who think they may be eligible, are encouraged to contact the relevant school office for details of how to apply.

Sixth Form students who are financially disadvantaged may be eligible to apply for a bursary payment, to support their education. Full details are on individual school websites.

Schools may also receive Pupil Premium funding for students who are care leavers, have been eligible for free school meals during the last 6 years ('Ever 6' students) or are from a Forces Family. In such situations, individual schools may (at their discretion) waive charges for activities in those instances where participation in the activity will directly enhance the educational progress of the student.

Individual schools within the Trust may, at their discretion, operate an additional 'Headteacher Fund' in order to support the education of students whose families may be experiencing short term financial hardship. The operation of any fund must be compliant with Equalities Legislation and individual schools are required to keep a log of when students have been financially supported in this way.

6. Service Families

Schools within the Trust also receive Pupil Premium funding for the children of service families'. These funds are not allocated on the basis of financial need, but are intended to help these students to integrate into school life. Support is also offered to bolster the

progress of such students, reflecting that regular changes in education provide may have an impact on educational attainment.

Individual schools will allocate these funds on the basis of the needs of individual children. Funds may be used on both curriculum and non curriculum activities.

7. Examination Fees

The following are provided free of charge:

- GCSE initial registration and entry exam fees.
- AS initial registration and entry exam fees.
- A2 initial registration and entry exam fees.
- Authorised late entry or amendment fees.

Candidates will not be charged for changes of tier, withdrawals made by the proper procedures or alterations arising from administrative processes, provided these are made within the time allowed by the awarding bodies.

The following are chargeable:

- Fees for any examinations for which private entry has been agreed
- Payment of exam board fees for any parental enquiry about a result or copy exam script

Individual schools reserve the right to seek reimbursement where candidates fail to sit an exam (without good reason) or meet the necessary controlled assessment/ coursework requirements.

Full details on examinations procedures can be obtained from individual schools.

8. Music Tuition

Charges will be levied for voluntary individual music tuition where the tuition does not form part of the syllabus for a prescribed public examination and is not a requirement of the National Curriculum.

9. Text books / supplementary texts / online revision

As a matter of policy, schools within the Trust must provide students access to core curriculum media. This can be paper-based or electronic format.

Where students wish to purchase their own copy of a text book (eg so it may be annotated), information will be provided by individual schools as to the correct text to purchase. Lists of supplementary texts (particularly to support student learning with post-16 learning) may also be made available.

Schools may also offer optional revision guides or online revision tools where they feel these offer good value and will assist students in their preparation for exams. All such guides / tools will be offered at cost price and schools will seek to access bulk purchasing discounts where possible.

Individual schools may, at their discretion, ask Sixth Form students to pay a returnable deposit against the issue of expensive text books.

10. Online Payment system

Individual schools within the Trust may choose to operate an online payment system and Local Governing Bodies may elect to specify this as the main method of making payments. All schools use Parentpay.

Full information on the cashless system is contained on individual school websites.

11. Refunds

Individual schools within the Trust will always cost trips and activities with care, so as to limit the financial burden on parents. No school within the Trust will seek to make a profit on a parentally-funded activity. Generating a surplus, however is sometimes unavoidable (particularly when a contingency fund for an overseas trip goes unused).

Where a trip or activity makes a surplus, parents/carers will automatically be offered a refund where the amount due to be refunded exceeds £10. Parents may additionally request the refund of any individual surplus under this amount. Any surpluses under this limit (not requested by parents) will be treated as a donation to school funds, to be used at the individual Headteacher's discretion on student-facing activities.

Balances left on the catering system will similarly only be refunded for amounts exceeding £10. Refunds must be requested by 31 July in the year of departure. Amounts under this, or which are left on the system after 31 July, will be treated as a donation to school funds. The school strongly encourages all departing students to clear their catering accounts before they leave. Any balance may be transferred for free to a sibling account.

Annex 2 - Middlesex Learning Partnership Fraud and Anti-Bribery Policy

1. Introduction

Middlesex Learning Partnership expects all staff, Governors, Trustees and Members to act honestly and with integrity at all times and to safeguard the public resources for which they are responsible. The Trust will not accept any level of fraud or corruption or abuse of personal position for financial gain; consequently, any case will be thoroughly investigated and dealt with appropriately. The Trust is committed to ensuring that opportunities for fraud and corruption and bribery are reduced to the lowest possible level of risk.

2. Definitions

Fraud

Fraud is a range of abuse and malpractice that is covered by the Fraud Act 2006.

Fraud can be defined as an abuse of knowledge or financial position that is done deliberately to create a financial gain for the perpetrator or for a related person or entity and / or cause a loss to another. It can take place in many ways; withholding information, deliberately misleading, misrepresenting a situation to others or by abuse of position.

Irrespective of the definition applied, fraud is always deceitful, immoral, and intentional and creates a financial gain for one party and / or a loss for another. Gains and losses do not have to be direct. A gain to a related party or company through intentional abuse of position, albeit not directly to the officer involved, is still fraudulent.

In the same way, using the Trust's name (or the name of the school) to procure personal goods and services is also fraudulent; where there is deliberate abuse of position to make a gain in the form of goods and services at a discount price or to get the Trust / school to pay for them.

Examples of potentially fraudulent activity and what to look out for is detailed at Annex 2, Appendix 1.

Corruption

Corruption will normally involve the above with some bribe, threat or reward being involved.

Bribery

The Bribery Act 2010 contains four key offences:

- bribery of another person (section 1)
- accepting a bribe (section 2)
- bribing a foreign official (section 6)
- failing to prevent bribery (section 7)

Bribery is not tolerated within Middlesex Learning Partnership It is unacceptable to:

- give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy.

Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

3. Reporting Fraud, Bribery or Corruption

The Trust's Whistleblowing Policy sets out the mechanisms by which staff, Governors or Trustees may report suspicions of fraud, corruption or bribery. All matters will be dealt with in confidence and in strict accordance with the terms of the Public Interest Disclosure Act 1998. This statute protects the legitimate personal interests of staff.

Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud, discovered or reported.

4. Responsibilities

Middlesex Learning Partnership is covered by the Academies Financial Handbook (the Department for Education's financial guide for the Governing Bodies and managers of academies). Drawing on the overall financial requirements specified in academy Funding Agreements, the handbook provides detailed guidance on a wide range of financial management, funding and accounting issues.

The Academies Financial Handbook sets out the overall governance framework for academies and describes the key systems and controls that should be in place. It describes the grants that the DfE makes available and specifies the financial reporting / budget management arrangements that must be followed by academies to ensure accountability over the substantial amount of public funds that they control. It also discusses in detail the

requirements for preparing an annual trustees report and accounts in order to comply with Company Law, Accounting Standards and Charity Commission expectations.

The **Board of Trustees** are responsible for ensuring proper stewardship of public funds, including regularity and propriety in the conduct of the Trust's financial affairs. The Board is responsible for establishing an effective fraud / anti-corruption policy and ensuring its provisions are implemented and understood by Trust staff. The Board is also responsible for establishing an Audit and Compliance Committee to support the work of the Board and the Accounting Officer in establishing an effective control environment to prevent fraud.

The **Accounting Officer** is responsible for establishing and maintaining a sound system of internal control that supports the achievement of the school's policies, aims and objectives. The system of internal control is designed to respond to and manage the whole range of risks that the school faces. The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk will be seen in the context of the management of this wide range of risks.

Overall responsibility for managing the risk of fraud in individual schools has been delegated to the **CFO**, whose responsibilities therefore include:

- Making an ongoing assessment of the risk of fraud / bribery / corruption and recording that risk in the School's Risk Register;
- Establishing appropriate local mechanisms for:
 - Reporting fraud risk issues
 - Reporting significant incidents of fraud to the Accounting Officer / Finance Trustee
 - External reporting in compliance with Company Law, Accounting Standards and Charity Commission expectations
 - Coordinating assurances about the effectiveness of fraud policies to support the Statement of Internal Control
- Liaising with the Local Governing Body, Audit and Compliance Committee and Board of Trustees on issues of fraud prevention, detection and management;
- Making sure all staff are aware of the Trust's Fraud and Anti Bribery Policy, and know what their responsibilities are in relation to combating fraud;
- Ensuring that vigorous and prompt investigations are carried out if fraud occurs or is suspected;
- In conjunction with the Board of Trustees, taking appropriate legal and/or disciplinary action against perpetrators of fraud / corruption / bribery;
- In conjunction with the Board of Trustees, taking appropriate disciplinary action against supervisors, where supervisory failures have contributed to the commission of fraud;
- In conjunction with the Board of Trustees, taking disciplinary action against staff who fail to report fraud / corruption / bribery ;
- Taking appropriate action to recover assets;

- Where fraud has taken place, ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in the future.

All managers are responsible for:

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively;
- Preventing and detecting fraud;
- Reporting fraud where it is suspected within their areas;
- Ensuring that staff operating within their areas follow Trust practices and procedures designed to limit the possibility for fraud;
- Implement new and revised controls as may be required from time to time.

The Finance Audit and Risk Committee is responsible for:

- Delivering an opinion to the Board of Trustees on the adequacy of arrangements for managing the risk of fraud and ensuring that the school promotes an anti-fraud culture;
- Assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of controls commensurate with the extent of the potential exposure / risk in the various aspects of the school's operations;
- Ensuring that the risk of fraud has been assessed and is properly recorded in the School's Risk Register;
- Conducting investigations (or assisting the Local Headteacher in conducting investigations) as may be required;
- Reporting to the Board of Trustees on the effectiveness of controls for the prevention, detection and management of fraud / corruption / bribery.
- Ensuring that an adequate system of internal control exists within the school and that controls operate effectively;
- Abiding by school policies and regulations and the guidance on Codes of Practice for Board Members of Public Bodies;
- Being alert to the fact that unusual events or transactions could be indicators of fraud;
- Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or if they see any suspicious acts or events;
- Co-operating fully with any investigation that may take place into suspected fraud.

Every member of staff is responsible for:

- Acting with propriety in the use of official resources and the handling and use of public funds, whether they are involved with cash or payment systems, receipts, dealing with suppliers or liaising with the Trust's decision making bodies;

- Conducting themselves in accordance with the seven principles of public life set out in the first report of the Nolan Committee 'Standards in Public Life'. The seven principles are; selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- Being alert to the fact that unusual events or transactions could be indicators of fraud;
- Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or if they see any suspicious acts or events;
- Co-operating fully with any investigation that may take place into suspected fraud.

5. Fraud Response Plan

Middlesex Learning Partnership has a fraud response plan (Annex 2, Appendix 2) which sets out how to report suspicions and how investigations will be conducted and concluded.

Annex 2, Appendix 1 – Basic Risks and Threats of Fraud

Fraud and corruption can take place wherever cash, cheques and other assets are in existence. Procurement and payment systems/processes are areas which are particularly at risk of fraud.

The following are examples of potentially fraudulent activity. This is not an exhaustive list. Individuals who are in any way concerned about activity they have witnessed should report their concerns to the CFO or Headteacher.

- Under or over-receipting (leading to theft)
- Unauthorised cancellation of a payment/receipt
- Ordering from a supplier or awarding a contract in exchange for some form of benefit
- Passing invoices for goods or services not ordered or received
- Ordering goods for personal use
- Theft/manipulation/alteration of cheques
- Falsification of timesheets/claims made for time not worked
- Failure to raise a sales invoice for services delivered by the school
- Unauthorised debt write-off
- False or inflated travel/mileage claims
- Acceptance of gifts/hospitality and failing to declare receipt

Examples of issues/behaviours which may give rise to suspicion:

- Alterations to documents involving the use of tippex, different handwriting or different pens
- An absence of voucher or receipts to support a claim for reimbursement
- Delays in the completion and submission of documentation

- Invoices passed for payment by the same person who placed an order and checked the delivery of goods (ie a failure to segregate duties)
- Records that do not agree, are incomplete and cannot be cross checked
- Strange trends in revenue or expenditure
- Individuals exhibiting stress for no obvious reason
- Individuals who are under financial pressure or who appear to be living beyond their means
- Individuals who are reluctant to be absent from the workplace (many cases of fraud come to light when an individual is away and therefore unable to continue to cover up the fraud)
- Individuals who are solely responsible for areas of risk, and who are unwilling to allow others to be involved.
- Hesitancy, avoidance or confrontation when asked direct questions
- Evidence that an individual is secretive or economical with the truth

Annex 2, Appendix 2 - Fraud Response Plan

Introduction

The purpose of this plan is to define responsibilities in the event of a suspected fraud. Its focus is to:

- Set out responsibilities for investigating the incident and taking appropriate action
- Establish and secure evidence for disciplinary and/or criminal action
- Prevent further loss
- Recovers losses
- Establish lines of communication with the police

The definition of 'Fraud' in this appendix should be read so as to include all suspected cases of fraud, corruption or bribery.

Reporting cases of suspected fraud

Individuals who become aware of a suspected fraud or irregularity, should write down their concerns immediately. A note should be made of all details, such as what was said or done, including the dates and times and names of all individuals involved. The matter should be reported immediately to the CEO/CFO/Headteacher. Any notes or evidence already gathered should be handed over. Confidentiality is of paramount importance throughout the process. The issue should not be discussed with anyone else in the school.

Concerns may be reported anonymously in the first instance. However, if it is clear that criminal activity is involved and it is necessary to report the matter to the police, it may prove necessary to disclose the identity of an informant in order to enable a criminal investigation to be pursued effectively. Identification is preferred in all cases of suspected fraud and will

assist both internal and external investigations. The Trust's Whistleblowing Policy sets out the safeguards in place to protect individuals who report suspicious activity in good faith.

Individuals must not do any of the following:

- Contact the suspected perpetrator to try and determine facts and demand answers
- Discuss their concerns or any evidence with anyone other than the CEO/CFO/ Headteacher, or a member of the nominated investigation team
- Attempt to conduct an investigation of their own.

Malicious allegations

If an allegation is made frivolously, in bad faith, maliciously or for personal gain, disciplinary action may be taken against the person making the allegation.

Action by the Individual school

Any member of staff who reports a suspected fraud should feel confident that they will be listened to seriously and sensitively. They should be given a fair hearing and should feel reassured that they will not suffer because they have voiced their suspicions.

All investigations will be conducted in line with the Trust's disciplinary / gross misconduct policy.

Recovery of losses

The Local Governing Body will assess the opportunity for recovering any losses, including taking action through the courts, where appropriate. The individual Headteacher will be responsible for ensuring that any legal action is pursued.

Annex 3 - Middlesex Learning Partnership

Staff Expenses Policy

1. Overview of Policy

This document sets out the rules and guidelines in relation to the claiming of personal expenses incurred whilst working on behalf of the Trust. Information is also given on the policy to be adopted in relation to staff entertaining and ad hoc gifts. The policy applies to all staff.

The Trust aims to:

- Ensure all items are at reasonable cost and for approved purposes
- Reimburse employee claims at the earliest opportunity
- Control costs of travel and entertainment activities
- Ensure tax and legal compliance
- Prevent fraud

The policy is designed to help employees to understand what is acceptable and enable consistent claim and repayment processes to be put in place. The policy also provides those that administrate the claims system with a reference resource.

2. Responsibilities

It is the responsibility of senior leadership / budget managers to ensure that costs are controlled and extravagance avoided. It is impossible to design the policy to cover every possible circumstance. This document is intended to be clear and easy to understand. If an ambiguity is noted or an unusual circumstance occurs, it should be referred to senior management for clarification and if necessary, revision of this document.

It is the responsibility of all members of staff to ensure familiarity with the policy and to follow all Trust and local procedures with regards to the method of purchasing items. This includes ensuring that the scheme of delegation is followed and that best value for money is secured. **Claiming for the cost of items via staff expenses should be considered a last resort, to be used only when other methods of procurement have been exhausted.**

Members of staff are responsible for ensuring claims are submitted in a timely manner, thus enabling the school to keep accurate and up to date records of its expenditure.

3. Making a claim

All claims must be supported by original receipts or invoices. Credit card purchases must be accompanied by itemised receipts with VAT numbers and amounts.

The school must have original receipts so that we can reclaim VAT from HMRC. To comply with VAT reclaim rules every receipt or invoice must detail:

- The date of purchase
- Name and address of supplier
- Description of goods or services supplied
- The total charge, including VAT; VAT receipts should be obtained where at all possible
- VAT registration number

Claim Forms

All claims should be made using the relevant forms available from the local Finance Office.

How to complete a claim form

In order for claims to be processed the following criteria must be met:

- Only the original claim form and original receipts will be accepted. Photocopies, faxes and emails are not acceptable (though staff may wish to keep a copy of the claim for their own records).
- Completed forms **must** be signed by the employee who incurred the expense and be correctly authorised (see below).
- Claims can only be made in respect of costs incurred by an individual themselves. Claims cannot be submitted on behalf of a fellow employee.
- Receipts or proof of travel or expenditure must be submitted with each claim. This includes receipts for parking, and VAT receipts for fuel, meals and overnight accommodation.
- All receipts must be stapled to the **BACK** of the claim form (not the front). This ensures that the staff reimbursing can see clearly the name of the person submitting the claim and it can easily be retrieved in the event of any query.
- If mileage from home is being claimed, the normal Home to Normal Place of Work mileage (i.e. ordinary commuting) must be deducted from the mileage claims. The relevant home postcode should be stated on the claim form.
- Completed forms must be received by the local Finance Team within **one half term** of the expense being incurred.

As a minimum, claims are reimbursed on a monthly basis and should reach the local Finance Team no later than given deadline within each school.

All claims will be reimbursed via a regular BACS run.

4. Authorisation

All claim forms must be authorised by the appropriate budget manager. Where the budget manager is the claimant, the form must be authorised by their line manager. If necessary, claims will be authorised by individual Headteachers.

Claims made by individual Headteachers must be signed off by one of the following individuals:

- Chair of Local Governing Body
- Vice Chair of Governors
- Finance Trustee
- CEO

The Executive Headteacher will sign off claims for the CFO. Claims submitted by the Executive Headteacher will be signed off by the Chair of the Board of Trustees, or a Finance Trustee.

Incorrectly approved claims will be returned for correction.

No member of staff may authorise their own claim for reimbursement

5. Permitted expenses – general principles

The annual 'Guidance on Finance and Purchasing' document, issued every September, sets out general principles for the purchase of goods and services. In particular:

- All IT purchases should be referred to the local ICT Team
- Existing framework / purchasing agreements should be used to secure the best price for items, and official orders should be raised where at all possible. Personal claims for items such as office stationery will only be reimbursed in exceptional circumstances.
- Where orders are placed online, payment should be made via the school charge card and delivered to the school address.
- All purchases over £1k must be made in line with the Trust's policy on competitive tendering

The Trust does not expect members of staff to routinely pay for purchases themselves. Reimbursement via personal expenses for items purchased for the school therefore should be considered a last, not a first resort.

Training courses should not be booked by individuals. Please refer all requests for training to the local member of staff with responsibility for booking courses.

Staff wellbeing / entertaining / gifts

Middlesex Learning Partnership acknowledges the importance of valuing its staff, and of recognising significant personal events and where individuals have given significantly of their time on a voluntary basis.

Individual schools may therefore purchase gifts or send flowers in the following situations:

- When staff are celebrating the birth of a child
- When staff get married
- When staff suffer a close bereavement
- When staff suffer a long illness
- When they retire after long service
- When they reach their 60th birthday (subsequent birthdays may also be recognised for long serving staff)

Small gifts may also be purchased to recognise such contributions as delivering voluntary INSET, acting as a student teacher mentor, and delivering such events as school concerts and the school production. Where a departing member of staff is not a member of a local 'Staff Association', the school may also purchase a small gift when they leave the school's employment.

In all cases, individual gifts / deliveries may only be purchased up to a maximum value of £35.

Individual schools may designate a specific budget for staff wellbeing purposes. This budget must be agreed by the Local Governing Body and should not open the school, or Trust, open to public criticism. Any spend on staff wellbeing should apply to all staff equally.

Alcohol

Alcohol may not be purchased. As a publically funded body, the Trust needs to demonstrate that it is adopting a high standard of governance. As such, inappropriate or excessive alcohol purchases are likely to lead to external criticism of the Trust, and individual schools and are therefore to be avoided.

Principles for claiming travel costs

Employees should seek to undertake business travel in the most efficient and cost effective way possible. This includes making best use of public transport and sharing transportation where possible.

Staff will under no circumstances be allowed to claim for parking fines or fixed penalty notices.

6. Permitted expenses – specific guidance

Car Parking & Car Use (mileage claims)

Car expenses are allowable in the following circumstances;

- Where it is the cheapest method of travel
- Where more than one member of staff is travelling in the same car
- Where the member of staff is disabled
- Where the journey is not reasonably accessible by public transport.

The attention of all staff is drawn to the Trust's driving policy, which sets out the conditions in which a member of staff may drive their own vehicle for work purposes.

Journeys between an employee's home and normal place of work cannot be claimed as business mileage.

Parking costs incurred in the course of business travel may only be claimed where it can be demonstrated that this minimised the overall journey cost. Parking costs may only be claimed if approved in advance by the local headteacher.

Reimbursement for employees who use their own car will be in accordance with current HMRC guidance. A copy of the current rates may be obtained from the local Finance Team. It will be calculated according to the shortest practicable route to and from the required destination. Where a journey starts and finishes at employee's home address, a deduction should be made equivalent to the mileage that would normally be covered travelling to and from school. Where practical, it is expected that staff will share car use.

Transport expenses that result from the need to attend training courses during the school day are treated as approved school business expenses and will be reimbursed under the terms of this policy.

In order to comply with HMRC rules, all mileage claims must state the following:

- The reason for the journey
- The postcode / location where the journey started
- The location / postcode of the destination
- Where the journey commenced from home (rather than school) an appropriate deduction for the normal home to work mileage.

Public Transport including Taxi Fares

Employees should purchase tickets in the most economical way and claims must be accompanied by a relevant receipt or ticket. Train travel will be at the lower value of either standard class or ticket value. Where staff have used their personal 'Oyster' cards for transport into London, they should submit a copy of the appropriate published fare (www.tfl.gov.uk).

Taxi fares will only be reimbursed in exceptional circumstances, and with the prior agreement of individual Headteachers.

Business, staff and working lunches

A light working lunch (i.e. sandwiches/crisps/biscuits/soft drinks) may be claimed when lunch is consumed on school premises and either the school is hosting external guests or members of staff are being expected to work through their free time. Individual school canteens may be able to offer a range of hospitality options, which will be charged directly to the school.

In all cases, the total costs of providing refreshments should be modest. Claims for alcohol will only be reimbursed with the prior approval of individual Headteachers. All costs should be charged to the relevant budget.

Where individual schools offer free staff refreshments (tea, coffee) in staff rooms, no reimbursements will be made for these kinds of refreshments.

Other expenses

The Trust will reimburse other expenses incurred by members of staff on behalf of the school, (eg. perishable items for cookery, flowers and materials for curriculum purposes) provided they are supported by the relevant receipt(s). Authorisation must be sought from the budget manager prior to any purchase. If prior approval has not been obtained, the school reserves the right not to reimburse the cost. In the case of Headteachers, authorization should be sought from the Chair of the Local Governing Body.

Hotel Accommodation

When travelling on business, accommodation should be obtained in a reasonable quality, low cost hotel (eg. Premier Inn, Travelodge). Authorization must be sought from individual Headteachers prior to booking, in the case of Headteachers, authorisation should be sought from the Chair of the Local Governing Body.

The school will bear the cost of the room, evening meal and breakfast. Where meals are not taken in the hotel separate restaurant receipts should be obtained for expenses to be reimbursed.

Staff accompanying a residential school trip may claim upto £25 per day for subsistence. All claims must be fully supported by receipts. Claims will only be reimbursed where a trip is **not** offered on a full or half board basis.

Trip leaders will be asked to supply details of all expenditure incurred on trips particularly that met from contingency funds.

Private telecoms costs

For safeguarding reasons, staff are discouraged from using their own phones on school trips, especially where it involves releasing their personal number to students or parents. Reimbursement for call costs incurred on a private mobile will only be reimbursed in exceptional cases, when supported by an itemised bill. The cost of any line rental will not be reimbursable.

For safeguarding reasons, schools within the Trust operate a pool of low cost mobile phones, which may be used for school trips and other activities.

7. Governor / Trustee Oversight

The Local Governing Body and Board of Trustees exercise oversight of staff expenses in the following ways;

- Via the review of regular expenditure monitoring reports
- Via the work of the Responsible Officer / internal audit function.
- Via unannounced 'spot checks' conducted by members of the Local Governing Body / Finance Trustee.
- Via the annual external audit process.

Any member of staff found to be abusing the staff expenses system may be investigated under the provisions of the Trust's Fraud Policy.

Annex 4 - Policy on the Payment of Expenses to Governors / Trustees / Members

1. Background

This policy statement has been developed in accordance with the Education (Governors' Allowances) Regulations 2003. These regulations give Local Governing Bodies the discretion to pay allowances from the school's annual budget allocation to governors for certain allowances which they incur in carrying out their duties. The Board of Trustees of Middlesex Learning Partnership believes that paying governors' allowances, in specific categories as set out below, is important in ensuring equality of opportunity to serve as governors for all members of the community and so is an appropriate use of school funds. The specific items allowable reflect this objective.

The Policy is deemed to extend to individuals acting in a voluntary capacity on the Board of Trustees, or as Members of the Trust

From 1 November 2012, all Local Governors / Trustees / Members will be entitled to claim reimbursement of reasonable expenses necessarily incurred in carrying out their duties, provided that such costs are agreed as justifiable before being incurred.

Governors / Trustees / Members will be able to claim for the following, on a case-by-case basis and with the prior approval of the Governing Body / Board of Trustees:

- Childcare or baby sitting allowances (excluding payments to a current/former spouse or partner);
- Cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner);
- The extra costs they incur in performing their duties either because they have special needs or because English is not their first language;
- The cost of travel relating only to travel to meetings/training courses at a rate equivalent to the Inland Revenue approved mileage rate
- Travel and subsistence costs associated with attending national meetings or training events, unless these costs can be claimed from the LEA or any other source;
- Telephone charges, photocopying, stationery, postage etc;

The Board of Trustees and Local Governing Bodies all acknowledge that:

- Governors / Trustees / Members may not be paid an attendance allowance;
- Governors / Trustees / Members may not be reimbursed for loss of earnings.

The attention of Governors / Trustees / Members is drawn to the fact that they may be entitled to time off from their current employer in order to carry out public duties. This is a matter for discussion between themselves and their employer.

Governors / Trustees / Members wishing to make claims under these arrangements, once prior approval has been sought, should complete a claims form (obtainable from the local School Finance Office), attaching receipts where possible, and return it to the individual school within two weeks of the date when the allowances were incurred. Claims will be submitted for approval by the Chair of the Local Governing Body or Finance Trustee (as applicable) or and will be reported to the Local Governing Body / Board of Trustees Meeting as part of normal budget monitoring arrangements.

Claims will be subject to independent audit and may be investigated by the Chair of Governors (or Finance Trustee) if they appear excessive or inconsistent.

Annex 5 - Policy on Revenue Generation / Letting of School Facilities

1. Scope

The Trust welcomes community use of its facilities and individual schools within the Trust are encouraged to generate external revenue in order to supplement their funding and improve the educational experience for students.

However, it remains the overriding aim of the Trust to provide the best possible education for current students, whilst ensuring their safety and the security of school facilities. All lettings should be entered into with this in mind and should not interfere with the core educational purpose of the Trust.

2. Responsibilities

It is the responsibility of **Local Governing Bodies** to:

- Decide what facilities to make available for commercial / community use and put in place local processes to manage bookings.
- Publish local 'Conditions of Hire' for lettings of their school facilities, setting out clear standards of conduct for hirers. This document should be reviewed at least every 3 years and should be published on individual school websites.
- Set appropriate charges for the letting of their school facilities. School funds must not be used to subsidise community / commercial lettings and such arrangements should not be operated at a loss.
- Ensure that the facilities let to outside organisations are safe and that a member of school staff is on call during any booking to offer assistance and help with any emergencies.
- Ensure hirers hold Public Liability Insurance (if required) and that they comply with any statutory requirements (eg performing rights licenses, safeguarding etc)

Local Governing Bodies should consider carefully which organisations it allows to use school facilities. They should not permit any booking which might constitute an illegal or immoral activity or which might bring the reputation of the individual school, or wider Trust, into disrepute. Lettings should not be accepted from any group or individual with an unlawful or extremist background.

Where the School is situated in a residential area, the impact of lettings on local residents (including parking) should be considered.

It is the responsibility of **individual Headteachers** to:

- Oversee lettings activity within their school, especially any impact on the delivery of the core educational function.
- Decide under what circumstances Trust staff can be released to support other schools / educational organisations and, where appropriate, negotiate an appropriate recharge rate for staff time