



MIDDLESEX
LEARNING
PARTNERSHIP

FINANCE POLICY

APPROVED BY:	Board of Trustee following a recommendation from FAR
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1. Aim

This policy aims to outline the financial procedures and practices at Middlesex Learning Partnership. It defines the roles and responsibilities of the Board of Trustees, Local Governing Bodies, the Audit Committee, Headteachers and other staff, and the limit of delegated authority established. The Trust is guided by the provisions in the 'Academies Trust Handbook' and 'Academies Accounts Direction' issued by the Education and Skills Funding Agency (ESFA).

To avoid doubt, the provisions of this policy are deemed to apply to both Middlesex Learning Partnership (Academy Trust) and any subsidiary company

2. Structure of Policy

This document consists of the central policy, with several related policies included as annexes.

Finance Policy

Appendix 1 – Signature Mandate

Appendix 2 – Procurement guidelines

Annexe 1 - Trust Charging Policy

Annexe 2 – Fraud and Anti-Bribery Policy

Appendix 1 – Basic risks and threats of fraud

Appendix 2 – Fraud Response Plan

Annexe 3 – Staff Expenses Policy

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

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

3. Roles and Responsibilities

Overall responsibility for the Trust's financial management and budgetary control rests with the 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, assessing 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 on the annual consolidated budget for the Trust;
- To review the financial statements that form part of the Trust's annual report.
- The Board of Trustees approves the Trust annual report and informs Members who receives the Statutory Accounts and formally adopts before 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 Trust Handbook;
- To formally appoint an Accounting Officer and Chief Financial Officer for the Trust; and
- To agree on 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 cash flow 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 on 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 auditors to the school;
- To receive reports from the internal/external auditors and to ensure follow up action in response to findings;
- To oversee Trust arrangements about anti-fraud / anti-corruption / anti-bribery and to carry out investigations as may be required;
- To ensure adequate oversight of other risk areas, including data protection and cybersecurity;
- To manage the Trust-comprehensive 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 regularly 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 (i.e. Members, Trustees and members of the Local Governing Body) do not have the authority to enter into any financial commitment independently. All financial obligations must be discussed and supported at the appropriate governance meeting, minuted accordingly, and comply with the usual Trust procurement processes.

Responsibilities of the Accounting Officer.

The Board of Trustees **must** appoint an Accounting Officer for the Trust. This will be the Chief Executive of the Trust.

The Accounting Officer role includes specific responsibilities for financial matters. It consists of personal responsibility to Parliament and ESFA's accounting officer for the trust's financial resources.

The Accounting Officer is responsible for ensuring regularity, a high standard of probity in managing public funds and value for money.

The Accounting officer must adhere to 'The 7 Principles of Public life.'

The Accounting Officer will always sit on the Main Board of Trustees and the Board of any subsidiary company.

The accounting officer **must** have oversight of financial transactions by:

- ensuring the academy trust's property and assets are under the trustees' control, and measures exist to prevent losses or misuse
- ensuring bank accounts, financial systems and financial records are operated by more than one person
- keeping complete and accurate accounting records to support their annual accounts

Responsibility of the Governance Professional (Clerk to the Board)

The academy trust must appoint a governance professional to support the Board of Trustees (BOT), who is someone other than a trustee, principal or chief executive of the trust.

A governance professional contributes to the efficient functioning of the board by providing:

- guidance to ensure the board works in compliance with the appropriate legal and regulatory framework, and understands the potential consequences of non-compliance
- independent advice on procedural matters relating to the operation of the board
- administrative and organisational support.

Financial responsibilities to be delegated to individual Headteachers.

The Headteachers acting under the delegated authority of the Chief Executive and the Accounting officer of the trust are responsible for the following:

- 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 Board of Trustees;
- Ensuring regular monthly monitoring of the school budget;
- Authorising individual purchases up to £10,000. The Headteacher must sign all purchase orders;
- 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 with reasons for the virement;
- 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 school under £100. The Headteacher may similarly approve asset disposals within their school of up to £500 per item with approval of the CFO.

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 appropriately 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 the 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 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 the 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 appropriately safeguarded; and
- To ensure that any conflicts of interest or gifts/hospitality are declared;

Internal Scrutiny

Purpose of internal scrutiny

All academy trusts must have a programme of internal scrutiny to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively.

Internal scrutiny must focus on:

- **evaluating** the suitability of and level of compliance with financial and non-financial controls. This includes assessing whether procedures are designed effectively and efficiently and checking whether agreed procedures have been followed
- **offering advice and insight** to the board on how to address weaknesses in financial and non-financial controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of the trust
- **ensuring all risk categories** are being adequately identified, reported and managed.

The trust must identify on a risk basis (with reference to its risk register) the areas it will review each year, modifying its checks accordingly. For example, this may involve greater scrutiny where procedures or systems have changed.

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). The FAR Committee approves individual school budgets. The Board must approve the consolidated trust budget 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 that complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in 2015 (SORP 2015) reflects the activities of the Trust.

Incoming Resources

Grants are included in the statement of financial activities on a receivable basis.

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 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 that 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 that 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 straight-line 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 principal annual rates for other assets are:

Freehold Land / Buildings and major capital building works – 0.8% (Over 125 years) SL
Plant and Machinery - 15% (Over 7 years) SL
Furniture and equipment - 25% (Over 4 years) SL
Computer equipment and software – 25% (Over 4 years) SL
Motor vehicles (where owned) – 25% (Over 4 years) 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 Trust requires the Committee 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 service contract 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 can 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 Trust 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 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 a point of receipt for monthly GAG funding. Schools may operate additional charges 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. Financial Planning

7.1 The board of trustees through the FAR committee must:

- ensure that financial plans are prepared and monitored, satisfying itself that the trust remains a going concern and financially sustainable
- take a longer-term view of the trust's financial plans consistent with the requirement to submit three-year budget forecasts to ESFA
- as part of its management of the trust's funds, set a policy for holding reserves and explain it in its annual report.

7.2 Setting a budget

1. The FAR committee must ensure rigour and scrutiny in budget management.
2. Trustees must approve a balanced budget, and any significant changes to it, for the financial year to 31 August, which can draw on unspent funds brought forward from previous years. The board must minute its approval.
3. The board must ensure budget forecasts for the current year and beyond are compiled accurately, based on realistic assumptions, including any provision being made to sustain capital assets and reflect lessons learned from previous years.
4. It should challenge pupil number estimates as these underpin revenue projections, and review these termly.
5. Boards are encouraged to take an integrated approach to curriculum and financial planning so that they are confident about planning the best curriculum for their pupils and delivering the trust's educational priorities with the funding they have available.
6. Boards should refer to DfE's material on improving school resource management including the top 10 planning checks for governors. To help manage capital assets and budgets they should refer to the Good estates' management for schools guidance including the organisation self-assessment tool, top 10 estate checks for boards and material on strategic estate management.

7.3 Sending your budget to ESFA

1. The academy trust must submit to ESFA, in a form specified by ESFA:
 - an Academies budget forecast return outturn (BFRO) each May
 - an Academies budget forecast return three years (BFR3Y) each July

In accordance with deadlines published annually.

2. The trustees must approve these before submission.
3. The board of trustees must notify ESFA within 14 calendar days of its meeting if proposing to set a deficit revenue budget for the current financial year, which it cannot address after considering unspent funds from previous years, as this would be non-compliant with the funding agreement and this handbook.

8. Monitoring the Budget

- 8.1 The trust must prepare management accounts every month,, setting out its financial performance and position. Management must take appropriate action to ensure ongoing viability.
- 8.2 Management accounts must be shared with the chair of trustees every month and with the other trustees six times a year.
- 8.3 The board must ensure appropriate action is being taken to maintain financial viability including addressing variances between the budget and actual income and expenditure.
- 8.4 The format of monthly management accounts must include an income and expenditure account, variation to the budget report, cash flows and balance sheet.
- 8.5 The trust must select key financial performance indicators and measure its performance against them regularly, including analysis in its annual trustees' report

9. Delegated authorities and requirement to obtain ESFA approval

The requirement to obtain ESFA approval

The trust has autonomy over financial transactions arising in the normal course of business. However, some transactions have delegated authority limits beyond which trusts must obtain prior ESFA approval, regardless of the source of funds.

Summary of freedoms and delegations

Activities	Description	Approval requirements
1. Novel, contentious and repercussive	Novel, contentious and repercussive transactions	ESFA agreement required
2. Special payments	a). Staff severance and compensation b). Ex gratia payments	ESFA agreement required if £50,000 or more ESFA agreement required
3. Write-offs and liabilities (subject to £250,000 ceiling)	Writing-off debts and losses Or Entering into guarantees, indemnities or letters of comfort	ESFA consent required if exceeds: • 1% of annual income or £45,000 individually; or • 2.5% or 5% of annual income cumulatively
4. Acquisition and disposal of fixed assets	a). Acquiring freehold land/buildings b). Disposing of a freehold on land/buildings c). Other disposals	ESFA agreement required ESFA agreement required Trust has full discretion.
5. Leasing	a). Taking up a finance lease b). Taking up a leasehold on land and buildings	ESFA agreement required ESFA agreement if lease term seven years or more

		c). Taking up any other lease d). Granting a lease on land and buildings	Trust has full discretion. ESFA agreement required
6.	GAG	a). GAG carry forward b). Pooling by trusts with multiple academies	No limits if trust eligible No limits (except PFI) if trust eligible
7.	Borrowing	a). Loan, overdraft b). Credit cards (for business use)	ESFA agreement required Trust has full discretion provided charges not incurred
8.	Related party transactions	Supplies to the trust from related parties	ESFA agreement required over £20,000 and over associated limits

10. Financial Process and Procedure

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 their departmental areas. The budget holder should sign purchase order requisitions 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 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 ordering goods and services and the authorisation of invoices for payment. Any shortfalls or errors should be reported to the supplier, followed up, or referred to the 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 correctly accounted for VAT.

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 annually as part of the annual audit process.

11. 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

Local Governing Bodies (LGB) – up to £50,000

Trustees/Directors – over £50,000

12. Banking and Payment Procedures

Banking arrangements

The Trust reviews its banking arrangements regularly. The Education and Skills Funding Agency (ESFA) transfers funds into the Trust bank account every month, 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 every month by the CFO.

School Charge Cards

To facilitate payment for goods and services online (particularly where this is the only payment method or is the route that secures the 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 Trust 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 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 based on 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 before final sign off by the Headteacher within each school every month.

Other Revenue

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

Cash receipts are taken in by anyone other than a member of the local Finance Team (e.g. bake sales, non-uniform collections) must be counted and initialled by the staff member 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 payment is retained in the school safe before 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. Board of Trustees 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.

13. Payments to individuals

All salaries paid to individuals must be made through the payroll system to make appropriate statutory deductions. 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 (e.g. 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.

14. 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 ensure that they do not put themselves or the school where purchasing practices are questioned.

It is against the law for public servants to take bribes. Staff, governors, trustees and volunteers should not accept any gift that others may construe as a bribe or lead the giver to expect preferential treatment. There are occasions where small gestures of appreciation may be offered to staff (e.g. Christmas or the end of the academic year) or hospitality provided. It is recommended that all such instances are reported to individual line managers. It is unacceptable to receive regular gifts regularly 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. 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.

15. Security of Assets

- The Headteacher at each school has responsibility for the safe custody and control of cash and other property.
- Curriculum coordinators are responsible for maintaining stock levels within their subject areas.
- Individual schools must make appropriate arrangements to ensure that items valued at over £250 are 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 and agreed with the CFO. Board of Trustees 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.

16. 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 or the CFO. 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 appropriate budget manager / Head of Department must approve the disposal.

Equipment may need to be disposed of for a number of reasons (e.g. 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 (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. This can be achieved in a number of ways:

- Via a 'sealed bid process', the highest offer is 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 the 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.

17. 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.

18. 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, BCHS 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 minibus 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 specific policy exclusions and excesses will be in operation. A failure to take reasonable care of school property may negate any claim.

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

19. Register of Interests

All Governors, Trustees, and staff with significant financial or spending powers are required to act in the Trust's best interests and 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 (i.e. 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.

20. Delegation of Responsibilities

In cases of urgency, the Chair of the Local Governing Body 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.

21. 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.

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:

Chief Executive Officer

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:

Chief Executive Officer
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:

Chief Executive Officer
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 the recommendation of the budget manager.	Any two signatories
£10,001 - £50,000 (revenue) £10,001 - £100,000 (capital)	Formal tender process, with at least three responses, received	Board of Trustees (who may delegate to a Committee)	Authority delegated by BOT to Headteacher	In line with bank mandate
All Trust-wide purchases over £10,000	Up to £50,000 - The formal tender process, with at least three responses, received Over £50,001 – formal tender process with at least four 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	In line with bank mandate

More than £100,000 (revenue)	The formal tender process, with at least six responses received, plus any necessary OJEU compliance	Board of Trustees	Authority delegated to CEO	In line with bank mandate
More than £250,000 (capital)				

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, overall 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 the FAR Committee.

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

Trip expenditure

Local schools are required to put processes in place to ensure that ‘best value’ is obtained for activities funded by parental donations (e.g. day and residential trips). This may take a number of forms, e.g. competitive tendering (in full or in part) and robust cost challenge by the local finance department. Trustees recognise that there is 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

The Board of trustees has delegated the financial scrutiny and oversight to the Finance, Audit and Risk (FAR) committee in maintaining the trust as a going concern.

The scheme of the delegation will be reviewed annually and immediately when there has been a change in trust management or organisational structure.

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, up to £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 up to the overall delegated budget limit

CEO	<ul style="list-style-type: none"> • Asset disposals between £500 and £2500 • Budget virements up to £25k up to an 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) • Debt write offs under £500

Annexe 1 - Middlesex Learning Partnership Charging Policy

1. Principles

The 1988 Education Act requires all schools to have a clearly defined policy on charges and 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, textbooks, 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, e.g. 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.

Parents/carers choose whether the student participates in any of the activities above in all situations.

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 has subsequently been misplaced or damaged (e.g. 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 (including 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 for applying 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 six 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 integrate into school life. Support is also offered to bolster the progress of such students, reflecting that regular changes in education providers may have an impact on educational attainment.

Individual schools will allocate these funds based on 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. 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 a paper-based or electronic format.

Where students wish to purchase their copy of a textbook (e.g. so it may be annotated), individual schools will provide information on 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 a 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 textbooks.

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 primary payment method. All schools use Parentpay.

Complete 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 to limit the financial burden on parents. No school within the Trust will seek to profit from a parentally-funded activity. However, generating a surplus 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.

Annexe 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, corruption, and bribery are reduced to the lowest possible level of risk.

2. Definitions

Fraud

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

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

Irrespective of the definition, fraud is always deceitful, immoral, and intentional and creates a financial gain for one party and 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 a 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 for are detailed in Annex 2, Appendix 1.

Corruption

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

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 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 provide, or offer 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 we will provide a business advantage 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 Trust 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 Trust 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** is 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 a Finance, Audit and Risks (FAR) 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 ongoing 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 Finance, Audit and Risks 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 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 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 correctly 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.

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

Fraud and corruption can occur wherever cash, cheques, and other assets exist. Procurement and payment systems/processes are areas that 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 the 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 (i.e. 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 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

Introduction

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

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

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

Reporting cases of suspected fraud

Individuals who become aware of 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 investigate 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 FAR committee will assess the opportunity for recovering any losses, including taking action through the courts, where appropriate. The Headteacher will ensure that any legal action is pursued.

Annexe 3 - Middlesex Learning Partnership - Staff Expenses Policy

1. Overview of Policy

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

The Trust aims to:

- Ensure all items are at a 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 straightforward to understand. If an ambiguity is noted or an unusual event occurs, it should be referred to senior management to clarify and revise this document.

It is the responsibility of all staff members to ensure familiarity with the policy and follow all Trust and local procedures regarding the method of purchasing items. This includes ensuring that the scheme of delegation is followed and that the 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 procurement methods have been exhausted.**

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

3. Making a claim

Original receipts or invoices must support all claims. Credit card purchases must be accompanied by itemised receipts with VAT numbers and amounts.

The school must have original receipts to reclaim the VAT from HMRC. To comply with VAT reclaim rules, every receipt or invoice must detail:

- The date of purchase
- Name and address of the 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

For claims to be processed, the following criteria must be met:

- Only the original claim form and original receipts will be accepted. Photocopies and emails are unacceptable (though staff may wish to keep a copy of the claim for their records).
- Completed forms **must** be signed by the employee who incurred the expense and is correctly authorised (see below).
- Claims can only be made in respect of costs incurred by an individual. 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.
- If mileage from home is being claimed, the average 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.

As a minimum, claims are reimbursed every month 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 approved by their line manager. If necessary, claims will be authorised by individual Headteachers.

The Executive Headteacher/CEO will sign off claims for the Headteachers and CFO.

Claims submitted by the Executive Headteacher will be signed off by the Chair of the Board of Trustees or Chair of Far committee. 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 purchasing 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 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 staff members to pay for purchases themselves routinely. Reimbursement via personal expenses for items purchased for the school 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 recognising significant personal events and where individuals have given significantly of their time voluntarily.

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. The school may also purchase a small gift when they leave its employment.

In all cases, individual gifts/deliveries may only be purchased up to a maximum value of £35. Individual schools may be designated a specific budget for staff wellbeing purposes. The board of trustees must agree on this budget and should not open the school or Trust to public criticism. Any spending 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 should 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 the best use of public transport and sharing transportation where possible.

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

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.

Journeys between an employee's home and a 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 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 the 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 most economically, and a relevant receipt or ticket must accompany claims. 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 staff members are being expected to work through their free time. Individual school canteens may 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 fees 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 staff members on behalf of the school (e.g. 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, authorisation should be sought from the Executive Headteacher/CEO.

Hotel Accommodation

When travelling on business, accommodation should be obtained in a reasonable quality, low-cost hotel (e.g. Premier Inn, Travelodge). Authorisation must be sought from individual Headteachers before booking; in the case of Headteachers, authorisation should be sought from the Executive Headteacher/CEO.

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 to reimburse expenses.

Staff accompanying a residential school trip may claim up to £25 per day for subsistence. Receipts must fully support all claims. 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 expenditures incurred on trips, particularly those paid 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 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 internal scrutiny/audit function.
- 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.

Annexe 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 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 babysitting 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 to carry out public duties. This is a matter of 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), attach receipts where possible, and return it to the individual school. Claims will be submitted for approval by the Chair of the Board of Trustees (as applicable) or

reported to the Board of Trustees Meeting as part of normal budget monitoring arrangements.

Claims will be subject to independent audit and may be investigated if they appear excessive or inconsistent.

Annexe 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 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 three years and 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 outside organisations are safe and that a staff member is on call during any booking to offer assistance and help with emergencies.
- Ensure hirers hold Public Liability Insurance (if required) and that they comply with any statutory requirements (e.g. performing rights licenses, safeguarding etc.)

Local Governing Bodies should consider carefully which organisations it allows using school facilities. They should not permit any booking that might constitute illegal or immoral activity or 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 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 purpose of the school.

- 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.