LiH Trust

Financial Procedures

2025 - 2026

Final

Approved by Trustee Board 30th September 2025

Learning in Harmony Trust

Financial Procedures

Contents

INTRODUCTION

The policy outlines the respective financial responsibilities of the Learning in Harmony Multi Academy Trust and its Trustees. The policy also provides a standardised approach to all finance related tasks within the Trust and its academies.

Please note this policy should be used in conjunction with the Academy Trust Handbook.

References to Head Teacher refer to the Legal Head Teacher (GIAS) of the school.

New Finance staff and key stakeholders mentioned in the Financial Procedures are given a copy of this policy when starting with the Trust. Any key changes through the year along with the annual update of the Financial Procedures are communicated through to the relevant staff.

1. ROLES AND RESPONSIBILITIES

1.1 Role of Members

Members have a similar role to shareholders of a company limited by shares. They:

- are the subscribers to the memorandum of association (where they are founding members)
- may amend the articles of association, subject to any restrictions created by the funding agreement or charity law
- may, by special resolution, appoint new members or remove existing members other than, where there is one, the foundations/sponsor body and any members it has appointed
- have powers to appoint trustees as set out in the articles of association and powers under the Companies Act 2006 to remove trustees
- may, by special resolution, issue direction to the trustees to take a specific action
- appoint the trust's external auditors and receive (but do not sign) the audited annual report and accounts
- have power to change the company's name and, ultimately, wind it up.

1.2 Role of Trustees

The Learning in Harmony Multi Academy Trust ("the Trust") is a company limited by guarantee with charitable status. It comprises members of the Trust and has a strategic role in running the Academies, with control over its land and assets.

The main responsibilities of the Trust are prescribed in the Funding Agreement with the DfE.

Proper and regular use of public funds

In accordance with the academies financial handbook, the academy must ensure that:

- Spending has been for the purpose intended.

- No trustee, governor, employee or related party has benefited personally from the use of funds. Any transaction that can be perceived to be a related party transaction shall only be at cost and shall follow the procedure set out by the DfE.

- All trustees have completed the register of business interests and there are measures in place to manage any conflicts of interest.

- There are no payments to any trustee unless such payment is permitted by the articles and, where applicable, comply with the terms of any relevant agreement entered into with the Education Secretary.

- Their senior officers' payroll arrangements fully meet their tax obligations and comply with the Treasury's directions regarding the employment and contract arrangements of individuals on the avoidance of tax.

- There is probity in the use of public funds.

- A competitive tendering policy is in place and applied.

- There is no disposal of publicly funded assets without the Education Secretary's consent, where such consent is required.

The members and Directors that sit on the Trust Board as Trustees, have certain obligations to protect the assets, property and good name of the Trust.

The Trust has defined the responsibilities of key committees and staff involved in the administration of Academy finances to provide a framework of accountability for trustees, governors and staff. The Committees that have responsibilities relating to the Academy finances are as follows:

- Trustee Board
- Finance Committee
- Risk and Audit Committee

The main responsibilities of these Committees are set out in written terms of reference approved by the full Trustee Board. The following sections summarise the responsibilities of those individuals with key roles in the administration and accountability of the Trust's finances.

1.3 Role of the Chief Executive / Accounting officer

The Chief Executive has overall responsibility for the Trust's activities including financial activities. The Funding Agreement requires the trust to identify the Chief Executive as the Accounting Officer who is personally responsible to the Trustees for:

- ensuring regularity and propriety;
- prudent and economical administration;
- avoidance of waste and extravagance;
- efficient and effective use of available resources; and
- the day to day organisation, staffing and management of the Trust.

The essence of the role is a personal responsibility for:

Regularity – dealing with all items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement and this Handbook, and compliance with internal trust procedures. This includes spending public money for the purposes intended by Parliament;

Propriety – the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and principles of Parliamentary control. This covers standards of conduct, behaviour and corporate governance;

Value for money – this is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the trust's charge, the avoidance of waste and extravagance, and the prudent and economical administration. A key objective is to achieve value for money not only for the academy trust but for taxpayers more generally.

The Trust's accounting officer is required to complete and sign a short statement each year explaining how the trust has secured value for money. This must be approved by the Risk, Audit and Finance Committee and then sent to the DfE and be published on the academy trust's website. It will also be placed on the DfE's website.

In practice, much of the financial responsibility is delegated to the Chief Financial Officer and the Central Finance Team.

1.4 Role of the Central Business Services Team

The Chief Executive and the Chief Operating Officer work in close collaboration with the Chief Finance Officer (CFO) and Central Finance Team. The main responsibilities of the Central Finance Team are outlined below, the team has a key role in supporting School Business and/or Operations Managers and Head Teachers in the responsibilities outlined in Section 4.2 and 4.3 of these procedures. Further details on the role of the Central Finance Team are outlined in Section 4.4

1.5 Clerk to the Board

The Chief Operating Officer is appointed by the Board as the clerk to the Trustee Board, and provides guidance, advice and ensures that legal, administrative and organisational support is available.

1.6 Risk & Audit Committee and Finance Committee

The Trust has established two separate committees covering Risk & Audit, and Finance. The Trustee Board has delegated financial scrutiny and oversight to the Finance Committee in order to maintain the trust as a going concern. The Risk and Audit Committee has the delegated responsibility to ensure oversight of risk management, internal control, external auditor appointment and the auditors management letter.

2 Delegated authority of the Trust

The delegated authority over different categories of financial transactions is set out below from the DfE:

2.1 Liabilities and write-offs

The academy trust must obtain DfE's prior approval for the following transactions beyond the delegated limits described below:

• writing-off debts and losses;

• entering into guarantees or letters of comfort; and

• entering into indemnities which are not in the normal course of business.

The delegated limits, are:

• 1% of total annual income or £45,000 (whichever is smaller) per single transaction

• cumulatively, 2.5% of total annual income (subject to a maximum of £250,000) in any financial year per category of transaction for trusts that have not submitted timely, unqualified accounts for the previous two financial years. This category includes new trusts that have not had the opportunity to produce two years of audited accounts

• cumulatively, 5% of total annual income (subject to a maximum of £250,000) in any financial year per category of transaction for trusts that have submitted timely, unqualified accounts for the previous two financial years.

In relation to these limits:

• the trust should always pursue recovery of amounts owed to it, including overpayments, or erroneous payments. In practice, however, there will be practical and legal limits to how cases should be handled

• the trust should only consider writing-off losses after careful appraisal, including whether all reasonable recovery action has been taken with the debtor, the trust's insurers, or the risk protection arrangement, and should be satisfied there is no feasible alternative

• the amounts for write-offs are before successful claims from an insurer or the risk protection arrangement

• total annual income is defined as grant income as disclosed in the trust's last audited accounts. DfE should be contacted, if the trust has not yet published their first audited accounts.

Before accepting liabilities by issuing guarantees, a letter of comfort or indemnity, the trust should secure value for money by appraising the proposal through assessment of the costs and benefits of relevant options.

2.2 Severance Payments

If the Trust is considering making a staff severance payment above the contractual entitlement, it must consider the following issues:

- whether such a payment is justified, based on a legal assessment of the chances of the Trust successfully defending the case at employment tribunal. If the legal assessment suggests a better than even chance of winning, there is no rationale for settling the case. But where the case will be lost, there is a justifiable rationale for the settlement.

- If the settlement is justified, the Trust would then need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an Employment Tribunal) is likely to award in the circumstances.

Special severance payments should not be made where they could be seen as a reward for failure, such as dismissal for gross misconduct or poor performance. The only acceptable rationale in the former case would be where the claimant will win an Employment Tribunal claim because of employment law procedural errors. In the latter, an acceptable comparison would be the time and cost of taking someone through performance management and improvement procedures.

For the avoidance of doubt, the following examples illustrate where HMT approval would be required:

- statutory/contractual payment of £30k + enhancement of up to £50k, DfE approval not required;

- statutory/contractual payment of £60k + enhancement of £30k = HMT approval not required, and

- statutory/contractual payment of £30k + enhancement of £50k = DfE/ HMT approval required for the £50k enhancement only.

Additionally, in accordance with HM Treasury's Guidance on Public Sector Exit Payments, academy trusts must obtain prior DfE approval before making a staff severance payment where:

- an exit package which includes a special severance payment is at, or above, £100,000; and/or
- the employee earns over £150,000.

2.3 Compensation Payments

If the Trust is considering making a compensation payment it must consider whether the proposed payment is based on a careful appraisal of the facts, including legal advice and that value for money will be achieved. It is also good practice to consider routinely whether particular cases reveal concerns about the soundness of the control systems; and whether they have been respected as expected. It is also important to take any necessary steps to put failings right.

Where the Trust is considering making a special staff severance payment or compensation payment above the contractual entitlement of £50,000 or more, prior approval **must** be sought from HM Treasury, via the EFA, before any such payment can be made. ATs in this situation should speak to their EFA contact at the earliest opportunity to discuss.

2.4 Asset sales

Approval must be sought from the DfE for the following transactions:

- acquiring a freehold of land or buildings
- disposing of a freehold of land or buildings
- disposing of heritage assets, as defined in financial reporting standards, beyond any limits in the funding agreement for the disposal of assets generally.

The Trust may dispose of other fixed assets (other than land, buildings and heritage assets) without DfE approval subject to achieving the best price that can reasonably be obtained and maintaining the principles of regularity, propriety and value for money.

2.5 Leases, and tenancy agreements

The Trust must obtain DfE approval for the following leasing transactions:

- taking up a finance lease on any asset for any duration from another party, where borrowing is to be repaid from grant monies
- taking up a leasehold or tenant agreement on land or buildings from another party for a term of seven or more years
- granting leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

The Trust may take out and grant other types of lease (i.e. other than finance leases, leaseholds and tenancy agreements as described above), such as operating leases, without the Secretary of State's approval. For the avoidance of doubt this means that operating leases on assets that are not land and buildings do not require the Secretary of State's approval.

2.6 Borrowing

The Trust must obtain DfE prior approval for borrowing from any source, where such borrowing is to be rapid from grant monies or secured on assets funded by grant monies, regardless of the interest rate chargeable.

Credit card balances must only be used for business expenditure, and balances cleared before interest accrues.

2.7 Related party transactions

The board of trustees must ensure requirements for managing related party transactions are applied across the trust. The board chair and the accounting officer must ensure their capacity to control and influence does not conflict with these requirements. They must manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with The 7 principles of public life.

The Trust must obtain DfE prior approval for contracts and other agreements for the supply of goods or services to the trust by a related party where any of the following limits arise:

- a contract or other agreement exceeding £40,000 in the same financial year

This approval requirement does not apply in the following circumstances:
• contracts and other agreements for the supply of goods or services to a trust by the following educational establishments:
  • colleges, universities and schools which are sponsors of the academy trust
  • state funded schools and colleges, including academies.

This concession does not apply to transactions with a subsidiary of such a related party.
• the provision of services to an academy trust with a religious designation, for essential functions fundamental to the academy trust's religious character and ethos which can only be provided by their religious authority.

Contracts and agreements with related parties do not include salaries and other payments made by the trust to a person under a contract of employment through the trust's payroll.

2.8 Novel, contentious and/or repercussive related party transactions

Regardless of contract value DfE prior approval must be sought for any contracts and other agreements with related parties that are novel, contentious and/or repercussive.

- Novel transactions are those of which the academy trust has no experience, or are outside its range of normal business.
- Contentious transactions are those that might cause criticism of the trust by Parliament, the public or the media.
- Repercussive transactions are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

2.9 Trustees register of interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise, trustees and staff with significant financial or spending powers are required to declare any financial interest they have in companies or individuals from whom the academy may purchase goods or services. The register is open to public inspection and shall be reviewed for accuracy at each meeting and published on the Trust's website.

The register should include all business interests such as directorships, shareholdings or other appointments of influence within a business or organisation which may have dealings with the academy. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a trustee,governor or a member of staff by that person.

The existence of a register of business interests does not, of course, detract from the duties of trustees, governors and staff to declare interests whenever they are relevant to matters being discussed by the governing body or a committee. Where an interest has been declared, trustees, governors and staff should withdraw from that part of any committee or other meeting.

3. INTERNAL AND EXTERNAL AUDIT AND ACCOUNTS

3.1 Process for internal scrutiny

The Risk & Audit Committee will ensure that there is a process for independent checking of financial controls, systems, transactions and risks in order to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively.

The committee will review the risks of internal financial and non-financial control and agree an annual programme of work that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors.

This programme will be managed through one or more of the following options:

- the work of an internal audit service (either in-house, bought-in or provided by a sponsor)
- the performance of a supplementary programme of work by the Trusts external auditors
- Completing the work by peer review

The methodology chosen and a summary of Internal Audit Findings must be submitted to the DfE, at the same time as the Accounts and other required documents, by 31st December each year.

3.2 Investigation of fraud and irregularity

The personal responsibilities of accounting officer responsibilities extend to the prevention of loss through fraud and irregularity. However, in addition to the accounting officer's responsibilities, the board of trustees of a Trust are also responsible for preventing such losses of public funds, and this means that Trustees must be aware of the risk of fraud and irregularity within their organisations and they must, as far as possible, address this risk in their internal control and assurance arrangements by putting in place proportionate controls. The Trust is also responsible for ensuring appropriate action is taken where fraud and irregularity is suspected or identified.

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

3.3 Appointment of external auditors

The Trust is required to submit the accounts for an annual audit. This means that external auditors need to be appointed. The appointment should be for a one year period renewable at the discretion of the Trust.

The auditors are required to give an opinion on whether:

- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by DfE;
- proper accounting records have been kept by the Academy throughout the financial year; and
- grants made by the EFA have been applied for the purposes intended.

The Trust should arrange for ongoing monitoring of the performance of the auditors to be undertaken.

The Trustee Board should present annually a resolution on the appointment of Auditors to the Members.

3.4 Trust central budgets and delegated funding to academies

The Finance Committee will annually review the arrangements for the central maintenance for the funding of the trust Infrastructure Budget and the trust Shared Services Budget.

The Finance Committee will review, recommend to the Trust Board and monitor the Trust annual budget that consolidates individual academy budgets with the Trust central costs and charges, with a specific responsibility to ensure the Trust budget does not go into deficit unless this is approved by the full Trustee Board. The principles of the Trust's approach to central budgets and pooling of funds is set out in Appendix 2.

In determining the Trust central budgets, the Trust must have due regard to the funding needs and allocations of each individual academy. If an individual academy, LGB or Head Teacher feels that the academy has been unfairly treated in relation to pooling arrangements they should first apply to the CEO who has the responsibility to raise the matter with Directors. If the grievance is not resolved they may appeal to the DfE.

3.5 Insurance arrangements

The Risk & Audit Committee will ensure that such insurance necessary to cover risks to which the Trust, and individual academies are exposed, is in place. This cover will comply with the minimum requirements of the DfE and the Department of Education.

An up-to-date schedule of all insurances in place will be maintained by a nominated member of the trust central team. This schedule will make clear the specific insurance liabilities of the Trust central costs and the individual academy budgets.

4. SUMMARY OF TRUST AND ACADEMY LEVEL RESPONSIBILITIES

This section outlines the respective responsibilities of the Trustee Board, each Local Governing Body, Head Teachers, the Central Finance, School Operations and/or Business Managers, the Trust Leadership Group and school staff in relation to financial administration.

4.1 The role of the Trustee Board

The Trustee Board is responsible for approving the Trust budget with a view to ensuring that the Trust remains a going concern. In addition, Trustees are responsible for ensuring that the Trust complies with its financial procedures and the Academy Trust Handbook, and fulfils its statutory duties and DfE reporting requirements.

4.2 The role of the Local Governing Body

The role of the Local Governing Body in school financial administration is:

- to nominate a LGB member to the finance portfolio
- to receive an overview of the proposed school budget that will be presented to the Finance Committee and Trustee Board for approval
- to work with the clerk to maintain a register of pecuniary interest for governors and staff

4.3 The role of the Head Teacher

The role of the Head Teacher in relation to budgeting, financial systems and forecasting is set out below.

Budget development and monitoring

- Working withTrust Leadership , the CFOand their School Operations and/or Business Manager where applicable, to agree an annual budget, and providing a rationale for any proposed deficit budgets.
- Participating in the monthly management accounts meetings in order to ensure that an accurate budget forecast is presented and that expenditure remains within agreed limits, any negative variations or significant unplanned expenditure (on staffing, curriculum materials or capital works) to the agreed annual budget must be agreed with the CEO and CFO in advance.
- Agreeing any unplanned use of reserves with the CEO and CFO in accordance with section 4.7 of this policy.
- Working with the School Operation and Business Manager to review monthly payroll reports and ensure that all payroll changes are communicated to HR (i.e. maternity, new starters, leavers, contract changes) Each month the Head teacher will be provided with a report which shows the current month's payroll compared to the previous months. Any significant variances between the two months should be explained and reasons given for the difference. All changes notified to HR should be checked to make sure that they have been actioned. Once satisfied the monthly payroll is correct the HR sign-off sheet should be completed the link to which is here .

Financial transactions and procurement

- Managing internal control systems and internal financial transactions in accordance with the Academy Trust Handbook and these financial procedures, for example, appropriate purchase ordering, complying with the procurement procedures etc.
- Ensuring that purchases approved, or requested, are within the agreed financial delegated limits set in Section 6.1 and 6.2 and that the correct procurement procedures are followed.
- Reporting any suspected fraud, theft or breach of procedures to the Chief Operating Officer immediately.

Payments to staff

- Signing off expenses claims made by individual staff members as true and accurate.

- Ensuring any severance agreements and payments are agreed with the HR Director in advance of sharing with the employee.

Identification of capital projects

- Ensuring that potential capital projects are identified on premises management plans for future capital project expenditure.

Oversight of the security of school assets

- Ensuring that the school inventory of assets is maintained as accurately and up-to-date as possible.
- Ensuring that assets are disposed of in line with the assets disposal policy, seeking advice from the Finance Director as necessary.

Other

- Ensuring that adequate line management and supervision of the School Operations Manager and/or Business Manager in relation to any financial procedures delegated to that role.
- Determining arrangements for any school fund or charitable funds held locally in conjunction with the Chief Operating Officer.
- Ensuring that all staff at the school are aware of the Whistleblowing Policy (generally annually as part of September inset messages).
- Ensuring that all staff are aware of the financial procedures as necessary to their role.

4.4 School Operations and/or Business Manager

In accordance with individual job descriptions the Head Teacher may delegate some of their financial responsibilities to the School Operations and/or Business Manager and other members of the administrative team. The role may include:

Budget monitoring

- attending the monthly management accounts review meeting, where required

Payments and equipment loaned to staff

- reviewing the monthly salary reports and completing the monthly payroll confirmation report, with the Head Teacher, to confirm they are accurate and noting any queries to HR
- submitting pay returns to payroll as appropriate (overtime or absence)
- submitting any changes to HR using the appropriate HR forms
- ensuring that a list of equipment loaned to staff and students, including keys or other key items, or students is maintained and referred to when a staff member or student leaves the organisation

Goods ordering and procurement

- supporting staff locally with financial procedures such as goods ordering and goods receiving
- ensuring that goods receipt notification is completed on the finance system in order for the central Finance Team to pay invoices received

Premises management plans and capital projects

- ensuring that premises management plans are maintained in relation to potential capital projects
- assisting in the maintenance of an accurate inventory and associated security procedures
- ensuring that assets are disposed of in line with the asset disposal policy

Other

- where a school has a school fund, administration and recording of income received, and payments made from the school fund. Retention of all documents such as collection records and receipts to support the transactions processed through the school fund.
- reporting any suspected fraud, theft or breach of procedures to the Head Teacher and the Chief Operating Officer

- ensuring, where a minibus is in operation, that annual mileage and fuel consumption is recorded for reporting in the annual accounts

4.5 The role of the central CFOand Finance Team

The CFO and Central Finance team are responsible for:

Budgeting and management account reporting

- Preparing an annual cycle of finance related tasks including budgeting, reporting and external audit.
- Preparing the school budget with the school head teacher and Trust Leadership representative, in accordance with priorities agreed by the governors and submission of these plans to the Finance Committee and Trustee Board for approval.
- Preparation of the three year budget plan and the financial returns to the DfE.
- Providing a monthly management accounts report to the schools which refers to a range of information sources within the HR system (payroll changes, starters, leavers and maternity).
- Providing a financial summary to be included in the school leadership team reports to governors in cycles 2,3 and 4 which should identify any key variations in expenditure against the approved budget plan.
- Preparing consolidated monthly Management Accounts and submitting these to the Trustee Board on a timely basis.

financial transactions and procurement

- Providing training, advice and guidance to Head Teachers and School Operations and/or Business Managers on Trust's financial systems and procedures.
- Managing internal control systems and internal financial transactions in accordance with the Academy Trust Handbook and these financial procedures.
- Placing orders as requested via the Purchase Ordering system.
- Ensuring that invoice checking procedures are followed.
- Processing invoices for authorisation and payment.
- Ensuring that expenditure limits that have been set and agreed are not exceeded.
- Ensuring that fraud prevention systems are established and followed.
- Ensuring that VAT reclaims are submitted on a timely basis.
- Ensuring that the fixed asset register is maintained.
- Ensuring that, in conjunction with the Head Teacher authorisation of orders, invoices and schedules are in accordance with Section 6 of this Policy and the Academy Trust Handbook.
- Following the Debt Recovery Process and Invoicing and Debt Reporting Process.

Management of Trust bank accounts and treasury management

- Following the Trust's Treasury Management Policy.
- Following the Trust's Investment Policy.
- Undertaking a reconciliation of the Trust's bank accounts at least once a month.
- Monitoring the Trust's cash flow to make sure it meets the Trust's requirements and identifying and reporting any concerns to Trustees.
- Operating the bank account as per the Academy Trust Handbook.
- Prompt and intact banking of income and associated recording of income in accordance with the Academy Trust Handbook.

Compliance, reporting and audit

- Timely submission of reports to the DfE as outlined in the DfE calendar.

- Providing access to accounting and other relevant records to Audit, including school fund(s), and implementing audit recommendations where necessary.
- Verifying that the school asset inventory has been maintained as accurately and up-to-date as possible, and ensuring that an independent check of the inventory is conducted periodically.
- Ensuring that the disposal of assets policy is adhered to.
- Submitting to the Board any proposed write-offs and disposals of surplus stock and equipment.
- Maintaining a central file of all submitted applications for grant funding and counter sign submissions for audit purposes.
- Returns to Charity Commission for school fund account, if appropriate.
- Maintaining adequate financial records in accordance with company law and the Academy Trust Handbook as set out below:

1	Budget Plan Entry Form	Current Year + 3 preceding years
2	Staff Salary Calculations	Current Year + 3 preceding years
3	School Management Plan	Current Year + 3 preceding years
4	General Allowance Allocations	Current Year + 3 preceding years
5	Virements within Budget Share	Current Year + 3 preceding years
6	Orders. Quotes and Tenders	Current Year + 6 preceding years
7	Copy Invoices / Credit Notes	Current Year + 6 preceding years
8	Copy Payment Schedules	Current Year + 6 preceding years
9	Delivery Notes	Current Year + 6 preceding years
10	Bank reconciliation Records	Current Year + 6 preceding years
11	Education Sales Database Statements	Current Year + 2 preceding years
12	Bank Statements	Current Year + 6 preceding years
13	Bank Paying in Slips	Current Year + 6 preceding years
14	Travel Claims	Current Year + 6 preceding years
15	Income / Lettings Receipts	Current Year + 6 preceding years

Other

- Ensuring that adequate controls are in place to ensure that all responsibilities delegated are monitored.
- Ensuring that any suspected fraud, theft or a breach of procedures is reported to the Chief Operating Officer.
- Ensuring that all central finance staff are aware of the Whistleblowing Policy.

4.6 The role of all other Trust staff

The role of all Trust staff in respect of financial administration is:

- to familiarise themselves with these financial procedures, the Whistleblowing Policy and the Anti Bribery and Corruption Policy
- to conduct all financial transactions relating to the school in accordance with these procedures, including raising purchase orders and keeping appropriate receipts
- to manage any budget delegated to them by the Head Teacher responsibly, and after due consultation with relevant staff
- to actively seek ‘best value’ on all work, goods, materials or services procured on behalf of the school

- to ensure that all relevant documents (delivery notes, invoices etc.) are promptly passed to the administrator for processing
- ensuring that any suspected fraud, theft or a breach of procedures is reported to the Head Teacher and School Business and Operations Manager

4.7 Trust Leadership Group

The Trust Leadership Group will:

- agree the budget setting timetable with the CFO
- agree the budget setting assumptions, as recommended by the Finance Director, for approval by the Finance Committee
- review draft budgets prior to presentation and recommendation to the Finance Committee
- have oversight of the monthly management account reports
- consult with Head Teachers and governors on the central top-slice on behalf of the Trustees.

The Trust Leadership Group, via the Chief Operating Officer and CFO, will ensure it has systems in place to ensure it satisfies the Finance Committee that it has:

- planned the school and central budgets in accordance with the priorities in the School Improvement Plan, and the school staffing plans and fully understands any components that make up the budgets
- considered the consolidated and individual school monthly management account reports and the most up to date forecast positions ensuring that the individual schools operate within their agreed budgets
- operated theTrusts's arrangements for obtaining quotations and inviting tenders
- determined the limits of authority which they delegate to the Head Teacher and approve expenditure recommended by the Head Teacher above those limits,
- considered and acted upon the findings and recommendations of Audit Reports

5. FINANCIAL REPORTING ARRANGEMENTS

5.1 Annual budget setting report to Trustees

As part of the budget setting process the Trust Leadership Group must review a written report containing sufficient information to assure them that the proposed budget:

- is affordable
- meets the needs of the pupils
- takes into account any planned or foreseeable changes in pupil numbers and therefore funding levels for future years
- fully informs them of those services that are being paid for from the trust infrastructure budget, the trust shared services budget and the local school budget (for which they are accountable)

5.2 Regular financial reporting to Trustees

The CFO should provide the Trust Board with a report on the budgetary position of the Trust on a monthly basis. Trustees receive the consolidated monthly management account report monthly, outside of Trustee meetings, by email as well as receiving the most up to date board report on the next formal agenda.

The management accounts must include an income and expenditure account, variation to budget report, cash flows,balance sheet and debtors report every month setting out the financial performance and position.

5.3 Regular financial reporting to Governors

The CFO will ensure that key financial information is available to the Local Governing Body. This will be reported within the governance cycle, where there are significant variances to budget, and /or shared with the finance portfolio holder.

5.4 Planning and oversight of capital projects

The Trust uses its School Condition Allocation Grant (SCA) to support an ongoing programme of maintenance and development of its sites. Income and expenditure is included in the monthly consolidated board report.

The Trust Leadership Group receives advice from the Chief Executive and Chief Operating Officer on the planned expenditure of the SCA grant and approves expenditure on projects in line with the conditions of the SCA grant agreement.

The Procurement and Tendering Policy is applied to the procurement of goods and services for these projects.

The Finance Committee receives regular reports on capital expenditure and the successful completion of projects.

For large or significant capital projects that Trust engages external consultants to plan, manage and quality assure the delivery of the project.

6. FINANCIAL PROCEDURES

6.1 Financial Scheme of Delegation

The table below sets out the financial scheme of delegation, and must be read in conjunction with the procurement processes outlined in section 6.2.

The table below links to delegated authority for Purchasing and procurement of goods and services:

Delegated Duty	Value	Delegated Authority for approval for Purchasing - goods/services already procured	Delegated Authority for Procuring new goods or services	Notes
Purchasing & Procurement				
<100k	Below £5,000	Head teacher/Budget holder where delegated	Head teacher	Benchmark cost where appropriate
	£5,000 - £24,999	Head teacher Above £10k also requires CFO approval for schools. COO for Central	Head teacher	Minimum 3 quotes required
	£25,000 - £49,999	Head teacher Above £10k also requires CFO approval for schools. COO for Central	Head teacher & member of TLG	Minimum 3 quotes required
	£50,000 - £99,999	As above	As above plus COO/CFO Finance Committee and Risk & Audit Committee notified	subject to the tendering policy (Appendix 3)
	£99,000 above	As above plus CEO	As above plus prior Finance Committee approval	Formal tendering process, OJEU where appropriate

Unplanned use of reserves in-year

All use of reserves requires notification to Trust Leadership and then CEO approval.

Level of expenditure	Head Teacher with TLG	CFO	CEO	Finance Committee
Increasing the staffing quota (not for reasons of cover for sickness or maternity)	Recommender(s)	Informed	Approver	Informed through reporting
For goods or services below £5k	Recommender(s)	Informed	Approver	Informed through reporting
For goods or services above £5K	Recommender(s)	Informed	Approver	Informed through reporting

6.2 Procurement of Goods and Services

The procurement of goods and services is the process potentially most open to abuse or mismanagement and it is therefore essential to have strong financial controls to safeguard the Trust's interests. The Procurement and Tendering Policy is set out in Appendix 3 and staff should have regard to the Anti Bribery and Corruption Policy. It is essential that all of the following controls are adhered to:

- orders should not be entered into verbally unless a Purchasing/credit Card has been used, orders should always be made using the Trust's Finance system. This system automatically updates the financial records and enables committed expenditure to be included in management accounts.
- alcohol is not to be purchased either directly through the LIHT or via staff expense forms. It is not also to be purchased as gifts for third parties such as thank you gifts.
- in **exceptional** circumstances (e.g. emergency repairs) orders may be placed by telephone. In such circumstances a confirmation order should be generated. Orders may be emailed to suppliers, in order to reduce timelines.
- orders may only be used for goods and services provided to the Trust. Private individuals and other organisations may not use school systems to obtain work, goods, materials or services net of VAT.
- It is the responsibility of the Budget Holder in authorising the purchase order to be satisfied that the work, goods, materials or services are appropriate and necessary, that there are adequate funds in the school budget for that purpose and that sufficient quotations/tenders have been obtained.
- **orders under £5,000** – it is the responsibility of the Head Teacher (or if delegated by the Head Teacher, the School Business Manager), or in the case of the central Trust budget the CEO, to ensure that the officer ordering the work, goods, materials or services has taken reasonable steps to achieve Best Value. Best Value could be achieved by:
    - holding a number of trade catalogues
    - bulk purchasing of common consumables
    - negotiating discounts
    - taking advantage of sale seasons
    - obtaining alternative quotations wherever possible.
- **orders over £5,000 but below £25,000** – it is the responsibility of the Head Teacher, or in the case of the central Trust budget the Trust Leadership Group, to ensure that the school has obtained quotes or tenders from **at least three suppliers**. These quotes must be fully considered before deciding which supplier to award the contract to. Under normal circumstances the lowest of the three (or more) quotes/tenders so long as 'value for money' is being achieved. If the option is taken for a quote/tender other than the lowest, the reasons for such a decision should be clearly documented.
- **orders over £25,000 –** it is the responsibility of the Head Teacher, or in the case of the central Trust budget the Trust Leadership Group, to ensure that the school has taken the same reasonable steps to ensure that the Best Value has been achieved on any purchase and these steps are documented and retained for inspection. If it is not known if the purchase will exceed £25,000 but it is estimated that it will be around £25,000, then evidence of the steps taken should be retained. In practice, the most straightforward method of achieving proof of best value is by obtaining and documenting quotes or tenders as detailed above. **If it is likely that an order will be over £25,000 Trust Leadership should be notified in order to ensure that appropriate procurement and contracting advice is sought.**
- **orders over £50,000** are subject to the tendering policy (Appendix 3)

- for building and maintenance work the above guidelines apply

6.3 Expenditure on travel and subsistence

Expenditure on travel or subsistence, whether it is through use of a purchase card or through own expenses claim, must follow the Travel and Subsistence policy (Appendix 4). The expense claim form is available on the Finance Hub .

In order to comply with the requirements of Streamlined Energy and Carbon Reporting all expenditure on fuel must be recorded in order to satisfy the reporting requirements in the annual accounts. Schools must record expenditure on fuel for minibuses and expenditure and mileage information for staff expense claims that are reimbursed.

6.4 Purchase Ordering and Goods Ordering

For the vast majority of purchases staff should request that a good or service is ordered by submitting a digital purchase order into the Finance system system. The Finance system system will forward the purchase order to the nominated budget holder for review and digital authorisation of the purchase. A purchase order number will be created and provided to the original requester via email.

The only types of expenditure that do not need a purchase order are:

- Rent or business rates
- Utility costs
- Works and services executed under a contract
- Purchasing card transactions
- Short term supply teachers
- Purchasing catering supplies for pupil meals where the school has in-house catering (food and drink only)
- Staff expenses

Purchase orders can be raised in the Trust's Finance system.

Amazon orders

- Amazon purchases require a purchase order form to be approved by the Budget Holder. Items should be placed in the Amazon basked by the purchase order requester. Once the purchase order has been approved Central Finance will approve the items in the basket and place the order with Amazon.

Tesco/Sainsbury Deliveries

- Grocery orders that are not related to pupil meals need a purchase order form approved by the Budget Holder. Regular purchasing for wraparound and nursery provisions require a purchase order on a monthly basis. The items on the purchase order should be added to the basket by the purchase order requester. Once the purchase order is approved Central Finance will approve and pay for the items.

Train, bus or aeroplane tickets

- Individual train or bus tickets should be purchased and reclaimed using the expenses form. Group travel purchases can be supported by Central Finance. Trust credit card holders may use their corporate card for the purchase of authorised travel. Aeroplane tickets for employees travelling on Trust business by air can be purchased and reclaimed through expenses, or a Trust credit card holder may conduct the transaction on their card.

6.5 Invoice processing

When invoices are received via email, the Trust's Finance system will send the invoice to the budget holder for approval. Approval for payment will only be made after confirmation that the goods have been received via the GRN acceptance function on the Finance system. IMP functionality will check that the invoice is not a copy that has been previously paid.

In addition, the Finance system will check the the arithmetic on the supplier invoice to ensure that the following are correct:

1. Unit price
2. Quantity
3. Discounts
4. Total net cost
5. VAT has been applied at the applicable rate
6. Total invoice cost

If there are discrepancies the Central Finance Team will contact the supplier to resolve the issue and keep the purchase requester informed, and the budget holder if necessary.

Valuable items that are portable and desirable should be asset tagged and added to the inventory as soon as possible after delivery.

6.6 Fraud prevention

Where a known supplier advises of a change of banking details or contact details the procedure is:

- contact the supplier using the on file contact details to confirm the change.

Where there is a new supplier that has not previously been associated with the Trust, the following procedure applies:

- confirm the payment details on the invoice directly with the contact at the supplier

6.7 Reconciliation procedures

The central finance team will ensure that all costs incurred and income received against the school's account(s) are valid. The central finance team l is responsible for ensuring that controls are in place for these checks to be carried out.

The central Finance Team is responsible for the reconciliation of the accounts to maintain the accuracy of the Trust's financial records. This includes:

- bank accounts
- payroll
- VAT
- Trade debtors and creditors

- Suppliers
- Fixed assets
- and other balance sheet accounts.

6.8 Operation of the Trust's bank accounts

The CFE and COO will ensure that they meet annually with the Bank's Business Manager to ensure that bacs limits are appropriate for the academic year to ensure efficient banking operations of the Trust. In addition the following is carried out throughout the year:

- bank mandates are kept up to date for each of the Trusts bank accounts - the mandate for each school will be the CEO, COO, Deputy CEO and one other senior member of staff such as a Head Teacher or member of the Trust Leadership Group.
- a minimum of three signatures should be maintained on the mandate
- A minimum of two authorised members of staff must authorise any payments
- no member of staff is permitted to authorise bank payments to themselves or to someone closely connected to themselves or in whom they have a pecuniary interest
- the mandate should be notified to the bank
- all new schools that join the Trust have bank accounts (where needed) with the same mandate signatories as all other Trust accounts

The CFO and COO will ensure that:
- authorised users of the bank accounts are regularly reviewed together with their permissions
- staff leaving the Trust have their permissions reviewed upon resignation, and removed upon leaving employment.

Arrangements must be made with the bank, and must include:

- a statement to be provided each month
- to disallow any overdraft or loan facilities offered by the bank
- to disallow the school from entering into deposit accounts or other cash investments - cash management will be dealt with centrally

The Trust has a specific Treasury Policy that must be adhered to.

Direct debit payments may be entered into for the payment of utility bills and other suppliers with whom the school has a regular contract. The value of each Direct Debit should be reviewed and compared with invoices received from the supplier. Suppliers paid by Direct Debit must be reviewed regularly to ensure they continue to provide Best Value.

The Finance Director will ensure that a sufficient balance is maintained to meet the Trusts commitments.

6.9 Security, inventories, stocks and disposal of assets

Maintenance of an Asset Register
An asset register should be maintained in a format agreed with governors, in which shall be recorded an adequate description of all land, buildings, moveable plant and machinery, vehicles, furniture, fittings and equipment belonging to the School, where the current valuation (for property) or the acquisition cost (for other assets) is greater than the following de-minimis levels:

1. Land and Buildings £5,000

2. Vehicles, Plant & Machinery and Other Equipment £3,000
3. Furniture & Fittings £1,000
4. Information Technology Equipment £1,000

Records of all portable, desirable and valuable items (not included on the asset register) shall be maintained on the official inventory, the asset register user guide provides detailed procedures and information.

Inventories shall be kept up to date to record all items received or disposed of by whatever means. Records will show any income received from disposals and cross referenced to accounting records.

Serial numbers included on the inventory should, wherever possible, be the manufacturer's serial number.

Annually, a physical check of **all** inventory items should be carried out. All discrepancies shall be reported to the Chief Operating Officer.

Safe security and cash handling

Safes must be kept locked and the key removed. Keys to safes and cash boxes must be kept secure. The loss of such keys should be reported to the Head Teacher immediately.

Money left on the premises shall be secured in a locked safe, where provided, or in a locked secure cabinet. The insurance limit for cash (and cheques) held in the safe is £1000 unless a higher limit is specifically agreed with insurance.

Losses due to theft of stocks or cash at schools shall be promptly reported by the Head Teacher to the Trust's Finance Director.

Disposal of assets

In disposing of assets, items with a current value of less than £250 can be disposed of, by the Head Teacher. Items disposed of above £250 (including stolen items) will need the authorisation of the Finance Director.

In disposing of IT equipment, an assessment should be made of such equipment to ensure that all sensitive data has been removed.

The monies received from the disposal of an asset will be credited to the Trust central budget.

In disposing of an asset, the Head Teacher responsible for ensuring that the school is taking reasonable steps to secure the maximum revenue for the asset. This should be achieved by:

1. Taking reasonable steps to advertise the disposal;
2. Inviting bids for the asset (sealed bids are preferable);
3. Negotiating with potential purchasers.

Loaning of equipment

The School Operations and/or Business Manager is responsible for maintaining a register of assets/equipment loaned or taken off the premises by other establishments, staff or pupils. A separate register should be kept of long term loans (e.g. musical instruments) and loans relating to specific grants (e.g. computers at home initiative).

6.10 Depreciation

Non-Current Assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.

The depreciation will be calculated on an annual basis for preparation of the year end accounts.

Groups of assets will use the same method of depreciation. There may very occasionally be an asset that does not completely fit into one of the categories below and the Finance Committee will discuss these items on an individual basis.

ASSET GROUP	DEPRECIATION METHOD
Land	No depreciation
Buildings and Building modifications	2% (50 yrs) Straight line
Plant and Machinery	20% (5 yrs) Straight line with nil residual value
Furniture and Equipment	33% (3 yrs) Straight line with nil residual value
Computer Equipment and Software	33% (3 yrs) Straight line with nil residual value
Assets Under Construction	They are not depreciated until the asset is brought into use.
Motor Vehicles / Minibuses	20% (5 yrs) Straight line with nil residual value

The expected useful life of all assets will be assessed prior to depreciation calculations and recorded in the Fixed Asset Register.

6.11 Charging and remissions policy

The Trust is committed to the general principle of free education and recognises the valuable contribution that a wide range of activities, including school visits, residential experiences and clubs, can make towards all aspects of pupils' education. The Trust would accordingly wish to promote and provide as far as possible such activities as part of a broad and balanced curriculum for the benefit of pupils within the school.

The Trust's charging policy is attached (Appendix 5)

6.12 Payments to individuals

The Trust has a responsibility for ensuring that all payments to individuals are subject to tax and national insurance deductions where appropriate. In order to achieve this, the following guidelines should be followed:

- an assessment must be made as to whether the individual is providing a contract of services (i.e. employed) or a contract for services (i.e. self-employed).
- If considered to be a contract of service, the individual shall be set up as an employee of the school before receiving payment through the payroll
- Where an individual seeks payment from the school for a contract for services, this must be in the form of an invoice.
- Where an individual seeks payment from the school for a contract for services, without the deduction of tax and NI, adequate checks will be undertaken to ensure that this is acceptable. Careful attention should be paid to repetitive payments to individuals.

6.13 Receiving income

Income generated by the Trust will be accounted for by the central Finance Team and allocated to individual school bank accounts as appropriate . All income shall:

- be paid into the Trust's official bank account without delay or deduction
- be banked at the earliest opportunity, not exceeding 72 hours
- be collected in advance of service delivery wherever possible
- be acknowledged by official receipts and accounted for without delay, with all such receipts held securely to prevent misuse
- be identified by means of any appropriate accountancy code
- not be used to discharge expenditure
- not to be used for the purpose of cashing personal cheques

Where income is to be collected after the service has been provided, an official invoice shall be issued and submitted without delay, to the debtor.

All income shall be held securely until banked and shall be acknowledged in writing when transferred from one person to another.

The school shall ensure all cash received is recorded, held securely and will not exceed the cash limit determined by the insurance and risk management team available on the Trust Insurance cover document
https://docs.google.com/document/d/1gdqqsvwU_XEP99XAq_8n9LP50dk8XVSjjklfLJi7-LM/edit

6.14 Cash management in schools

Cash received in school as a result of a fundraising event, sale or donations should be handled as follows:

- should be counted by two individuals
- stored in a locked safe on site, until it can be banked
- shall be banked by two people
- shall be banked within 5 working days of the event, sale or donation, if it is an amount of more than £500.

6.14 Treasury and investment management

Balances in the Trusts bank accounts will be monitored by the Finance Director and excess balances in local bank accounts will be moved to the Trust's LIHT instant access savings bank account. Funds will be transferred from the Trusts bank account to local accounts, as required to meet operational requirements

The Finance Director will make recommendations to the CEO and the Finance Committee on investment of cash, for example in fixed term deposits. The Finance Committee will decide the investment policy of the Trust. (See Appendix 1 - Finance Committee ToR)

6.15 Overdue debts

Please follow the LIHT Debt Recovery Process

- Any Debtors overdue over 60 days must be reported to the Finance Director
- Debtors overdue over 90 days must be reported to the Finance Committee
- Any resultant proposed write-offs must be dealt with in accordance with Section 2.1.

6.16 Register of business interests policy

Members, trustees (directors), governors and members of staff who can influence buying decisions recognise their responsibility to avoid any conflict between their business and personal interests and those of the academy.

The Trust maintains a register of the business interests of each member, trustee, governor, member of staff with significant financial responsibilities, their relatives and other individuals who may exert influence. The register includes:

- interests with suppliers from which the academy may wish to buy goods and services
- interests in the appointment, salary, promotion or conditions of service of members of staff

The information in the register is taken into account whenever buying or staffing decisions are made. Any trustee, governor or member of staff who has an interest in the business tendering for a contract does not form part of the committee awarding the contract. Any trustee, governor or member of staff who has an interest in the appointment, salary, promotion or conditions of service of a member of staff does not form part of the committee recommending or deciding these.

Trustees, governors and members of staff are required to inform the Trust of any changes in their interests as these arise so that they can be entered in the register. The register is also updated annually. Nil returns are obtained as appropriate.

The minutes of trustee board meetings, Trust committee meetings, LGB meetings or any other committee which can influence a buying decision will record a standard agenda point seeking updates to the register of business interests.

The only exception to the requirement to disclose a business interest is if the interest is so distant or small that no ordinary right-thinking person would expect it to influence a person who might have dealings with the firm concerned. In such cases, it need not be disclosed. An example is a modest shareholding in a large public company even if the Trust has or may have dealings with the company.

The register is freely available for inspection on the Trusts website.

<u>Receipts of gifts, hospitality, entertainment and other services</u>
Trustees, governors and members of staff involved in making buying decisions do not accept excessive (over £50), frequent or regular gifts, hospitality, entertainment or other services from existing or prospective suppliers. When considering whether to accept such offers, they consider whether they could affect their independence or cause concern that they might affect their independence. The academy maintains a register of gifts and favours offered and whether these were accepted or rejected. Trustees, governors and members of staff are required to inform the academy of such offers as they arise.

<u>Expenditure on gifts, hospitality, entertainment and favours</u>
The full Trustee Board must approve any expenditure on gifts, hospitality, ex-gratia payments and losses to be written off. The academy maintains a log of these. Such expenditure is only authorised if the Trustee Board can demonstrate that they have taken into account the principles of probity, accountability and value for money.

Expenditure on hospitality from public funds is only incurred in the provision of education. Hospitality is generally only provided in the workplace and usually restricted to tea/coffee, biscuits, soft drinks or sandwiches. Modest hospitality is occasionally provided outside the workplace. The head teacher will maintain a register of the occasions when modest hospitality is provided by a school, the number of people involved and the costs incurred.

Private use

The Trust does not obtain goods or services for the private use of trustees, governors and members of staff. Trustees, governors and members of staff may not:

- hold any interest in any equipment or property held or used for the Trust
- acquire any interest in the disposal of academy equipment or property at the end of any contract between the academy and any third party.

6.17 Speak Up and Whistleblowing Policy

The Trust has a Speak Up and Whistleblowing Policy and all staff are made aware of this policy.

It is the responsibility of the CEO to ensure that all centrally employed Trust staff and directors are aware of this policy. It is the responsibility of the Head Teacher of each member school to ensure that all staff at the school are aware of the policy and that all new staff are informed about the policy as part of induction procedures.

Appendix 1

Committee Terms of Reference:

Risk and Audit Committee

Finance Committee

Appendix 2 Arrangement for Central Funding and Pooling of Resources

The Learning in Harmony Trust is built around the principle that all pupils are entitled to an excellent education, and that all available resources should be maximised across the trust to meet that end. Whilst member schools remain autonomous, entry into the Trust assumes an agreement that there are some services that will be centrally procured to achieve 'best value'.

The founding schools recognize that when negotiating each individual contract there will sometimes be cross-subsidization and that on occasion one school may appear to gain, and others appear to lose. Our belief, however, is that the longer term interests of the pupils in the Trust are best met by ensuring that schools are able to access the best services possible. As the Trust develops and more and more resources are available, the responsibility of all member schools (through the board of directors) will be to work together to ensure that resources are being targeted according to need.

Many Multi-Academy Trusts use the term 'top-slice' when considering the percentage of an individual school's budget that is free to spend. In the Learning in Harmony Trust there is a Central Learning in Harmony budget and each school has a local school budget:

- The central LiH budget: This central expenditure contains the costs of centrally procured services that are purchased for schools on behalf of the trust. The contribution into this budget by individual schools will be based on a percentage of the pupil led funding that is available to the individual schools. In addition each member school will contribute 15% of any available surplus on conversion. In addition any unspent funding from the conversion grant will be added to this budget.
- Local School Budgets – Each school will have an agreed budget for the year to carry school specific expenditure such as staffing, curriculum, repairs and maintenance, learning resources, and school based training. Pupil Premium and Sports Premium funding will go directly to local school budgets.

The 'top slice' will be calculated as a percentage of each school's pupil-led income and will be set by the Board each year as part of the annual budget process. The Finance Committee will be consulted on the level of the top slice as part of this process.

Appendix 3 Procurement And Tendering Policy

The procurement of goods and services is the process potentially most open to abuse or mismanagement and it is therefore essential to have strong financial controls to safeguard the school's interests. It is essential that all of the following controls are adhered to:

- orders should not be entered into verbally and unless a Purchasing Card has been used, orders should always be made using the Trust's Order Processing System. This system automatically updates the financial records and enables committed expenditure to be included in management information for governors.
- individuals who are issued with purchase cards must complete a purchase order request form prior to making any purchase.
- in exceptional circumstances (e.g. emergency repairs) orders may be placed by telephone. In such circumstances a confirmation order should be generated. Orders may be emailed to suppliers, in order to reduce timelines.
- orders may only be used for goods and services provided to the school, private individuals and other organisations may not use school systems to obtain work, goods, materials or services net of VAT.
- it is the responsibility of the Budget Holder in authorising the order to be satisfied that the work, goods, materials or services are appropriate and necessary, that there are adequate funds in the school budget for that purpose and that sufficient quotations/tenders have been obtained.

Orders under £5,000 – it is the responsibility of the Head Teacher (or if delegated by the Head Teacher, the School Business Manager) to ensure that the officer ordering the work, goods, materials or services has taken reasonable steps to achieve Best Value. Best Value could be achieved by:

- holding a number of trade catalogues
- bulk purchasing of common consumables
- negotiating discounts
- taking advantage of sale seasons
- obtaining alternative quotations wherever possible.

Orders over £5,000 but below £25,000 –it is the responsibility of the Head Teacher to ensure that the school has obtained quotes or tenders from at least three suppliers. These quotes must be fully considered before deciding which supplier to award the contract to. Under normal circumstances the lowest of the three (or more) quotes/tenders so long as 'value for money' is being achieved. If the option is taken for a quote/tender other than the lowest, the reasons for such a decision should be clearly documented.

Orders over £25,000 – it is the responsibility of the Head Teacher to ensure that the school has taken the same reasonable steps to ensure that the Best Value has been achieved on any purchase and these steps are documented and retained for inspection. If it is not known if the purchase will exceed £25,000 but it is estimated that it will be around £25,000, then evidence of the steps taken should be retained. In practice, the most straightforward method of achieving proof of best value is by obtaining and documenting quotes or tenders as detailed above. **If it is likely that an order will be over £25,000 the COO should be notified in order to ensure that appropriate procurement and contracting advice is sought.**

Orders over £50,000
All goods/services ordered with a value over £50,000 must be subject to formal tendering procedures.
Purchases over £214,904 including VAT may fall under the Public Contracts Regulations 2015 (2024

update) and new procurements may need to be published on the UK e-notification service Find a Tender. Ordering goods which may potentially be over £50,000 must be discussed with the Trust Chief Operating Officer who will liaise with the Chair of the Risk & Audit Committee prior to any communication with suppliers. This is to ensure correct procedures are followed from the outset.

Consideration should also be given to tendering through Framework arrangements. There are various providers which give access to suppliers within their Framework, which have been pre-approved, so that the Public Contracts Regulations process does not apply.

Forms of Tenders

There are three forms of tender procedure: open, restricted and negotiated and the guidance for circumstances in which each procedure should be used are described below:

- **Open Tender**: This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Chair of the Risk & Audit Committee how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

- **Restricted Tender**: This is where suppliers are specifically invited to tender. Restricted tenders may be appropriate where:

  - there is a need to maintain a balance between the contract value and administrative costs
  - a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the School's requirements
  - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

- **Tender through a Framework:** Qualifying Suppliers can be identified and invited to tender through a Framework provider

- **Negotiated Tender**: The terms of the contract may be negotiated with one or more chosen suppliers. This may be appropriate in specific circumstances:
  - o the above methods have resulted in either no or unacceptable tenders
  - o only one or very few suppliers are available
  - o extreme urgency exists
  - o additional deliveries by the existing supplier are justified

Preparation for Tender

Full consideration may be given to:
- objective of project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract

It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

If a restricted tender is to be used then an invitation to tender should be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

An invitation to tender may include the following:

- introduction/background to the project
- scope and objectives of the project
- technical requirements
- implementation of the project
- terms and conditions of tender and
- form of response

Aspects to Consider

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation?

Technical/Suitability

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers.

Other Considerations

- Pre sales demonstrations
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the Trust. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted and any reason for accepting them should be recorded.

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders.

A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

Tendering Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Full records should be kept of all criteria used for evaluation of contracts over £50,000 and a report should be prepared for the Risk & Audit Committee highlighting the relevant issues and recommending a decision.

Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.

The accepted tender should be the one that is economically most advantageous to the School. All parties should then be informed of the decision.

TIMING

The tendering process needs to be started in good time, especially if tendering to replace major annual contracts.

For contracts that need to start on September 1st, the following guidelines should be applied

- Review whether contract needs to be reviewed/replaced - by 31st January
- Check the notice period for the existing contract and ensure that it is met. Give the appropriate notice and explain the process for re-applying (if appropriate) by 28th February
- Decide whether contract will go through the Framework process or the OJEU process - by 28th February
- Initiate the OJEU or Framework process - by 1st March
- Follow the relevant process, to ensure a recommendation can be reached by 31st May
- Submit a recommendation to the Risk & Audit Committee June meeting
- Complete contract negotiations with approved supplier by 30th June
- Contract signature by 31st July

Appendix 4 Travel And Subsistence Policy

Introduction

If an employee is not sure whether they will be able to make a claim in a particular situation, they should ask before they incur any expenses, as this may not be reimbursed. Clarity should be sought before a claim is submitted. Claims for reimbursement of alcohol will not be accepted.

It is very important that claims are not made outside the terms of this policy and guidance unless permission has been given specifically to deal with a particular situation.

Accommodation

All overnight stays must be approved in advance by the appropriate authorised officer (for school based staff this is the Head Teacher, for all other staff this is the appropriate member of TLG).

In some situations, particularly certain training courses, accommodation is provided as part of the package, in which case employees do not need to make any claim. In other cases, the employee will be reimbursed the actual cost of any necessary subsistence costs whilst they are temporarily working elsewhere on school or Trust business.

HMRC rules and guidance should be used when making decisions about subsistence costs and when receipts are necessary or otherwise.

Travel

General Principles

Employees should only make business journeys when they are absolutely necessary. Other options should always be considered before travel is undertaken which are more efficient and cost effective for example, email, telephone, video or telephone conferencing.

Where a business journey is necessary, employees are expected to organise it in the shortest and most effective way.

Employees whose post requires them to undertake business travel are responsible for their own travel arrangements and these must be carried out in the most effective and efficient way to perform the job. The Trust will support necessary business travel, including reimbursement of costs arising from the use of employees' own vehicles.

Environmentally friendly travel should be encouraged. Mileage payments will be made within Her Majesty's Revenue and Customs guidelines.

Mileage Payments - vehicles and cycles

Employees who use their own car, van, motorcycle or cycle for official Trust work purposes are entitled to be reimbursed in accordance with Her Majesty's Customs and Revenue (HMRC) approved mileage rates.

Where a number of employees undertake the same or a similar journey, they should always travel together.

In addition to mileage rates detailed, employees who take passengers in a car or van may claim a passenger mileage payment per passenger per mile. The passenger must be an employee of the MAT or an employee of a partner organisation on the same Academy/Trust business. Where the passenger does not start or finish their journey at the same time as the driver, then the driver can only claim for the number of miles that the passenger was actually present in the vehicle.

The basic criteria for claiming official mileage is that this should be calculated from the employee's workplace and back again. Normal everyday home to office mileage is the employee's responsibility.

Where it is more beneficial for employees to travel directly from home to an outside appointment or vice versa, rather than call in to the workplace first, they are only entitled to claim the number of miles over and above their normal home to work mileage. On this basis, all travel claims in any one day should always exclude the employee's normal home to office miles regardless of the reason e.g. training course etc.

The only circumstance in which normal home to office mileage is payable is where a second journey from home to a place of work is made on the same day in order to carry out official duties. Where an employee agrees to work on a day they would not normally work, it is still their responsibility to get to and from work (including training courses). Therefore, no home to office mileage is payable.

Other conditions

Where an employee is required to travel from their normal workplace to carry out their day to day role, travelling time is included within their normal working day. However, employees who are expected to travel to training courses can claim no more hours than their normal working day including travelling time. Where there are excessive demands placed on an employee, for example very long distances travelled which extend significantly over the working day and where such occurrences happen repeatedly over a short period of time, then management will have discretion, as a gesture of goodwill, to allow some time in lieu as recompense.

Bus and Rail Travel

Employees are expected to travel standard class and take advantage of off peak or other reduced rates if the circumstances allow. First Class travel may be used if:

- accompanying someone else travelling First Class; or
- the timing of a journey would make it impossible to work effectively, e.g. travel during rush hour periods; or
- standard class accommodation is full; or
- the additional cost of travelling by First Class is no more than £50 in total.

Parking Expenses

Line managers may approve the reimbursement of reasonable car parking charges incurred during the course of business day (above and beyond normal commuting and parking costs).

The Trust will not reimburse in respect of parking and similar fines.

Authorisation

The formal responsibility for authorising business journeys rests with the authorised officer. Employees are advised to seek approval in advance for any unusual journeys where there is likely to be any doubt about the legitimacy of the journey or of the amount of mileage that can be claimed.

Additional Guidance re Central/Local Travel and Travel between LIHT sites

1. The following journeys can be charged to the Central Trust budget and should be approved by the Trust's COO, CEO or Board Chair
    a. Journeys between schools carried out by the Trust Central Team
    b. Journeys for work carried out on behalf of the Trust
    c. Journeys to schools by school staff to meetings that they are attending on behalf of the trust.

2. The following journeys cannot be charged to the Trust and are at the discretion of the Head Teacher or their delegated officer from individual school budgets
    a. Journeys to meetings at which each trust school is represented eg B&I, H&S, Well Being, Safeguarding Group
    b. Journeys to NAHT Edison Aspire Project Network
    c. Journeys to ECT and RQT training sessions

3. Where possible as new courses and initiatives emerge clarity about travel arrangements will be shared and confirmed within documentation for Business and Infrastructure meetings.

4. The following specific arrangements will apply
    a. Centrally arranged training - No central funding will be made available. Travel expenses at school's discretion.
    b. Coaching or Networking for Senior Leaders - No central funding will be made available. Travel expenses at school's discretion
    c. Centrally arranged Leadership Conferences - Travel and subsistence arrangements will be determined annually.

5. For return journeys between Southend Schools and London Schools the maximum travel allowance that can be claimed is £33.90. Reimbursement for Taxi journeys from school to stations, or parking at station is at the budget holder's discretion

Subsistence allowance

The subsistence rates listed below represent the maximum permissible rates available. Where staff travel on school business and an overnight stay is necessary, an overnight subsistence allowance may be claimed.

The reasonable costs of accommodation, food and drink (non-alcoholic) will be reimbursed when supported by receipts. The school will only bear the cost of accommodation required for business purposes and will not meet the costs of any extensions to a stay for personal reasons or for accommodation provided to a spouse or other family members.

Hotel costs must be at a reasonable price for the area. If a room is to cost over £150 a night, this must be approved by the budget holder in advance. Hotel bookings should always be made in advance with prior approval from the budget manager, unless in exceptional circumstances.

Where a member of staff has a meeting that requires them to leave home before 6.30 am, they may stay at a hotel the night before the meeting. This is only applicable if it is shown that the meeting cannot be arranged at a different time to avoid early departure on the day.

Lunch - reimbursement will be made for a working lunch only, which should be approved by your line manager prior to purchase and be in line with HMRC guidance.

Evening meal - When working away from home, you will be reimbursed for a meal to a reasonable cost. This will include a reasonable meal, and a non-alcoholic drink.

Local Governor and Trustee expenses

Local governors and trustees would not ordinarily be reimbursed for expenses incurred in the course of undertaking their ordinary responsibilities and duties. Exceptions to this would be considered where a governor or trustee travels a significant distance from their home address to participate in the governance of the Trust. Governors and trustees should complete the Travel, Subsistence and Expenses Claim, attaching the relevant VAT receipts or mileometer readings for the journeys undertaken.

Governors and trustees do not receive any other form of payment or compensation for undertaking their governance role.

Methods of Claiming

Employees should complete the Travel, Subsistence and Expenses Claim, attaching the relevant VAT receipts. Staff should complete the Travel, Subsistence and Expenses Claim form in full and provide supporting receipts, claims should be submitted to the relevant authoriser e.g. line manager, head teacher for authorisation. Once authorised the claim should be submitted to the central Finance Team for reimbursement. Reimbursement will be made directly into your bank account.

Employees should note the terms of the declaration on the claim form. No one should make or approve a claim if the conditions explained in this policy have not been met. The Trust will take a very serious view of fraudulent or negligent claiming or certification.

The model HMRC rates apply to employees who are required to travel on business. These rates are currently

From tax year 2011 to 2012 onwards	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Motor cycles	24p	24p

Bicycles	20p	20p
Passengers	5p	5p

Appendix 5 Model Charging and Remissions Policy

Introduction & Aims

The Learning in Harmony Trust reserves the right to make a charge for the following activities which may from time to time be organised by the school.

Our school aims to:

- Have robust, clear processes in place for charging and remissions
- Clearly set out the types of activity that can be charged for and when charges will and will not be made
- Offer a range of activities and visits whilst minimising the financial barriers that may prevent some pupils from taking full advantage of these opportunities

Legislation & Further Guidance

This policy is based on advice from the Department for Education (DfE) on charging for school activities and the Education Act 1996, sections 449 to 462 of which set out the law on charging for school activities in England. Academies are required to comply with this Act through their funding agreements.

It's also based on guidance from the DfE on statutory policies for schools and academy trusts.

This policy complies with our funding agreement and articles of association.

Definitions

- **Charge**: a fee payable for specifically defined activities
- **Remission**: the cancellation of a charge which would normally be payable
- **School Day**: This time runs from the official start of the school day (morning registration) to the official end of the compulsory school day. It includes breaks, but not optional before or after school activities.

Roles & Responsibilities

The Local Governing Body of the school is required to have a Charging & Remissions Policy by our operating Trust, the Learning in Harmony Trust. Any changes to this policy must be agreed upon by the Trust's Directors.

The head teacher is responsible for ensuring staff are familiar with the charging and remissions policy, and that it is being applied consistently.

Staff are responsible for:

- Implementing the charging and remissions policy consistently
- Notifying the head teacher of any specific circumstances which they are unsure about or where they are not certain if the policy applies

The school will provide staff with appropriate training in relation to this policy and its implementation

Parents are expected to notify staff or the head teacher of any concerns or queries regarding the charging and remissions policy.

Where charges cannot be made

Below we set out what we **cannot** charge for:

Education

- Admission applications
- Education provided during school hours (including the supply of any materials, books, instruments or other equipment)
- Education provided outside school hours if it is part of:
- The National Curriculum
- A syllabus for a prescribed public examination that the pupil is being prepared for at the school
- Religious education
- Instrumental or vocal tuition, for pupils learning individually or in groups, unless the tuition is provided at the request of the pupil's parent
- Entry for a prescribed public examination if the pupil has been prepared for it at the school
- Examination re-sit(s) if the pupil is being prepared for the re-sit(s) at the school

Transport

- Transporting registered pupils to or from the school premises, where the local authority has a statutory obligation to provide transport
- Transporting registered pupils to other premises where the governing board or local authority has arranged for pupils to be educated
- Transport that enables a pupil to meet an examination requirement when he or she has been prepared for that examination at the school
- Transport provided in connection with an educational visit

Residential visits

- Education provided on any visit that takes place during school hours
- Education provided on any visit that takes place outside school hours if it is part of:
- The National Curriculum
- A syllabus for a prescribed public examination that the pupil is being prepared for at the school
- Religious education
- Supply teachers, covering for teachers who are absent from school, accompanying pupils on a residential visit

Please note that charges <u>are</u> allowed for the board and lodging element of those residential activities during school hours. Details on this can be found in the section below.

Where charges can be made

Residential Activities

Residential Activities held during school hours: charges may be made for the board and lodging element of those residential activities during school hours. Parents will be notified in advance of any such activities that the school proposes to organise and the estimated cost. Parental consent will be obtained for their children's participation in any such activities for which a charge may be made.

Any charge for a particular activity will be calculated by reference to the actual cost of providing the board and lodging for each pupil; no other costs will be recovered by the charge. Any remission arrangements for such activities will be at the discretion of the Governing Body EXCEPT in the circumstances described below.

Activities Outside of School Hours

The school will endeavour to provide a range of such activities from time to time. These will sometimes include day and residential experiences, and are known generally as "optional extras". Charges may be made for these activities EXCEPT where they are provided to fulfil any requirements specified in the syllabus of a prescribed public examination or are required in order to fulfil statutory duties relating to the National Curriculum or to religious education in which case they are not regarded as optional extras as such and charges cannot be made. (Board and lodging charges may still be made, however, for any residential activities subject to the remission arrangements described below).

Optional Extras

Parents will be notified in advance of any "optional extras" that the school proposes to organise and the estimated cost. Parental consent will be obtained if their children are to participate in any activities for which a charge may be made.

Any charge for a particular activity will be dependent upon the type of activity and its cost and the number of participants. This charge will not exceed the actual cost of providing the activity, divided equally by the number of pupils willing to participate. The cost of other pupils participating in the visit will not be included in the charge. The charge may however include an appropriate element for such things as:

- the pupil's travel costs
- the pupil's board and lodging costs
- materials, books, instruments and other equipment
- non-teaching staff costs
- entrance fees to museums, castles, theatres, etc.
- insurance costs
- the expenses only of participating teachers engaged on a separate contract for services to provide the "optional extra"

Any remission arrangements for such activities will be at the discretion of the Governing Body, *except* in the circumstances described in the Remissions section below.

Materials and Ingredients

A charge will only be made for any materials and ingredients relating to activities taking place during school hours where parents have indicated in advance a wish to own the finished product, e.g. Design and Technology (including cooking). Alternatively, parents may, in these circumstances, be asked to volunteer to provide the ingredients and materials prior to the activity taking place.

Music Tuition

Schools can charge for vocal or instrumental tuition provided either individually or to groups of pupils, provided that the tuition is provided at the request of the pupil's parent.

Charges may not exceed the cost of the provision, including the cost of the staff giving the tuition.

Charges cannot be made:

- If the teaching is an essential part of the National Curriculum
- If the teaching is provided under the first access to the Key Stage 2 instrumental and vocal tuition programme
- For a pupil who is looked after by a local authority

Remissions

Where the parents of a pupil are in receipt of certain benefits the Learning in Harmony Trust will authorise the school to cover the cost of board and lodging for any residential activity the school organises for the pupil.

Any other remission arrangements for a particular activity or pupil will be entirely at the discretion of the School Governing Body. Any subsidy provided by the Trust will be met from the funds at its disposal.

Voluntary Contributions

Nothing in this policy precludes the Trust from inviting parents to make voluntary contributions for the benefit of the school or in support of any school activity, whether during or outside school hours. Any contributions sought will be entirely voluntary and pupils will not be treated differently according to whether or not their parents make a contribution in response to any invitation.

Breakages And Damage To School Property

The Trust reserves the right to seek reparation from parents where their children cause breakages or damage to school property.

Review & Monitoring

The Trust reserves the right to review and amend this charging policy statement from time to time, as appropriate.

Appendix 6 Speak Up and Whistleblowing Policy

LiHT Speak Up and Whistleblowing Policy

Appendix 7 Anti Bribery and Corruption Policy

Policy linked here

Appendix 8 Home Working Equipment Reimbursement Policy - new

This appendix sets out the Trust's policy for reimbursing staff for the purchase of essential home office equipment, specifically a desk and chair, to support safe and effective remote working. This policy excludes IT equipment (Display Screen Equipment) which is provided by the Trust.

Eligibility & Limits

- Applies only to Staff who work from home for two or more days per week on a regular basis, subject to line managers approval and a clear business need.
- Staff may claim reimbursement of up to:
  - Up to £100 for a desk
  - Up to £100 for a chair
  - Maximum total claim up to: £200
- One claim per item per employee every 3 years

Claim Process

- Items must be purchased by the employee, and proof of purchase submitted with the Staff Expense Claim Form.
- Claim to be made on actual costs incurred and up to the above limits
- Claims must be pre-approved by the line manager and submitted within 60 days of purchase.
- Items must be reasonably priced, suitable for work use, and comply with basic health and safety standards.

Ownership

Equipment remains the property of the employee, but should be used primarily for work purposes.