



# **SCHEME OF DELEGATION OF FINANCIAL POWERS**

# CONTENTS

Section	Description	Page No.
<b>1.0</b>	<b>Terms of Reference</b>	3
	1.1 The Governing Body	3
	1.2 The Finance Committee	3
	1.3 Accounting Officer	3
	1.4 The Responsible Officer	4
	1.5 Other References	4
<b>2.0</b>	<b>Budgeting and Reporting</b>	5
<b>3.0</b>	<b>Income</b>	7
<b>4.0</b>	<b>Purchases and Payments</b>	8
	4.1 Wages and Salaries	12
<b>5.0</b>	<b>Assets</b>	12

## **1.0 Terms of Reference**

### **1.1 The Governing Body**

The governing body has wide discretion over its use of the Academy Trusts (AT's) funds. It is ultimately responsible for the proper stewardship of those funds and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money. It must also ensure that it uses its discretion reasonably, and takes into account any and all relevant guidance on accountability and propriety.

It is specifically responsible for ensuring that the AT's funds are used in accordance with the law; the governing body's powers under the Funding Agreement (including the articles of association which set out the powers of the AT and its governance arrangements; and the Academies Financial Handbook).

The members of the governing body of the MAT should also be aware of the statutory duties of company directors, which are set out in the Companies Act and include the duties to:

- Exercise their powers only for a proper purpose;
- Promote the academy's success;
- Exercise independent judgement;
- Exercise care and skill; and
- Avoid conflicts of interest.

### **1.2 The Finance Committee**

The Finance Committee is a committee of the Governing body. The Finance Committee meets at least once a term but more frequent meetings can be arranged if necessary. The main responsibilities of the Finance Committee include:

- The initial review and authorisation of the annual budget;
- the regular monitoring and scrutiny of the academy management accounts;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the ESFA guidance issued to academies;
- reviewing and checking details of contracts and purchases;
- authorising the award of contracts and purchases;
- reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body

### **1.3 Accounting Officer**

Within the framework of the academy development plan, as approved by the governing body, the Chief Executive Officer (CEO) is the Accounting Officer and has overall responsibility for the academy's activities including financial activities. The AT accounting officer is personally responsible to Parliament and to the accounting officer of the ESFA for the resources under their control. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; for ensuring value for money; and for the efficient and effective use of all the resources in their charge.

Essentially Accounting Officers must be able to assure Parliament and the public of high standards of probity in the management of public funds.

Much of the financial responsibility has been delegated to the Headteacher and Executive Business Manager (EBM) but the CEO retains responsibility for:

- approving senior staff appointments within the authorised establishment;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the ESFA guidance issued to academies;
- completion of the accounting officer's statement on governance, regularity, propriety and compliance for inclusion in the AT's annual report;
- authorising contracts;
- advising the Finance Committee on purchases and;

#### 1.4 **The Responsible Officer**

The Responsible Officer (RO) is appointed by the governing body and provides governors with an independent oversight of the academy's financial affairs. The main duties of the RO are to provide the governing body with independent assurance that:

- the financial responsibilities of the governing body are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained and
- financial considerations are fully taken into account in reaching decisions.

The Responsible Officer will undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Academy Trust. A report of the findings from each visit will be presented to the Risk and Audit Committee and the individual school Local Governing Board (LGB)

#### 1.5 **Other References**

- **Regularity:** means the requirement for all items of income and expenditure to be dealt with in accordance with the legislation authorising them, and any applicable delegated authority.
- **Propriety:** means the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary control. This includes 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 prudent and economical administration. A key objective is to achieve value for money not only for the academy trust but also for taxpayers more generally.

## 2.0 Budgeting and Reporting

Role	Value	Delegated Authority	Method	Review Period
Budget setting process		The Financial Controller (FC) is responsible for overseeing the budgeting process.	The full process can be found in the Financial procedures policy.	Annual
		The Executive Business Manager (EBM) in conjunction with the Headteacher is responsible for preparing the academy's annual three-year budget.	The full process can be found in the Financial procedures policy.	Annual
		The Director of Finance (FD) is responsible for reviewing and approving academy budgets and subsequent approval from the Finance committee and the Trust Board, before submitting to ESFA.	The full process can be found in the Financial procedures policy.	Annual
Monthly Management Accounts		<p>Prepared by the Shared Service Centre (SSC) Accounting Technicians. and reviewed by the SSC FC</p> <p>The EBM's carry out variance analysis on each of their academies reporting</p> <p>The FC then produces a monthly management and Governors report.</p>	All transactions to be processed and reconciled by the academies finance staff for the timely checking and production of the monthly management accounts and governors reports as per the Financial Timetable.	Monthly

<b>Role</b>	<b>Value</b>	<b>Delegated Authority</b>	<b>Method</b>	<b>Review Period</b>
ESFA Reporting		Director of Finance	An annual Financial Reporting Timetable will be released by the ESFA and dates and requirements will be included on this timetable	As necessary to ensure compliance

### 3.0 Income

Role	Value	Delegated Authority	Method	Review Period
Collection and receipt of cash and cheques	Any	Office Manager	Cash must be receipted by the person with delegated authority and recorded in the appropriate ledger. All on site cash and cheques must be locked in the safe until banking	Daily
Sales invoices	Up to £15,000	Executive Business Manager	All sales invoices must be processed through the financial management system, and issued in a timely manner.	As required
	£15,001 to £100,000	As above plus Headteacher	Headteacher to authorise the issuing of sales invoices above £15,001, and then as above.	As required
	Over £100,001	Finance Committee	Finance committee to approve the issuing of sales invoices above £100,001	As required
Banking of cash and cheques	Any	Office Manager	Cash and cheques should be stored in a safe and banked on a weekly basis and should not be allowed to accumulate above £1,000. Banking should be checked and agreed by another member of staff before being banked and should relate back to receipts issued.	As required
Reconciliation of bank accounts		This duty is performed by the Reach South Central Finance Team	The MAT bank account will be reconciled at least on a monthly basis. Bank reconciliations should then be signed, dated and filed.	Monthly
Petty Cash		Petty Cash is not permitted.		

#### 4.0 Purchases and Payments

Role	Value	Delegated Authority	Method	Review Period
Purchase requisitions (PR)	PR up to £10,000	Budget holder	The full process can be found in the Financial procedures policy.	As necessary
	PR greater than £10,001	Budget holder 1 <sup>st</sup> approval with Headteacher (HT) 2 <sup>nd</sup>		
Purchase orders (PO)	PO Up to £1,000	Executive Business Manager (EBM)	The full process can be found in the Financial procedures policy.	As necessary
	PO £1,001 to £10,000	EBM	Three written quotes must be obtained. The full process can be found in the Financial procedures policy.	As necessary
	PO £10,001 to £25,000	EBM & HT		
	PO Over £25,001	FD	Restricted or negotiated tender, including advertising in OJEU if appropriate	As necessary
	PO Over £100,000	Finance Committee	Open or negotiated tender, including advertising in OJEU if appropriate	As necessary

<b>Payments</b>				
Single Supplier payment proposal	Less than £20,000 Over £20,001	EBM / FD	The full process can be found in the Financial procedures policy	Weekly
Total academy payment proposal (paylist)	Less than £50,000	EBM	The full process can be found in the Financial procedures policy.	Weekly
	Over £50,000	FD		
Single academy paylist payment by BACS	Less than £100,000	Accounting Technician and FC (minimum of two authorisers)	The full process can be found in the Financial procedures policy.	Weekly
	Over £100,000	FC and FD (minimum of two authorisers)		
Single supplier faster payment	Less than £10,000 per transaction	FC and AT		
	Over £10,000	FC and AT with email approval from the FD		

Role	Value	Delegated Authority	Method	Review Period
Credit Card	Limited to £1,000	Headteacher.	Must be kept in the safe when not in use. All transactions must be supported by a receipt. Orders should be placed only by the cardholder. Reconciliation should be checked by someone other than the person who places the orders.	Monthly
Standing orders and direct debits		as per bank mandate		As necessary
Liabilities and Write-Offs	<p>1% of total annual income or £45,000 (whichever is smaller) per single transaction.</p> <p>Cumulatively, 2.5% of total annual income in any one financial year per category of transaction for any ATs that have not submitted timely, unqualified financial returns for the previous two financial years. This includes new academies that have not had the opportunity to produce two years of financial statements</p> <p>Cumulatively, 5% of total annual income in any one financial year per category of transaction for any ATs that have submitted timely, unqualified financial returns for the previous two financial years</p>	Headteacher /Executive Director	Anything above these limits must be approved by The Secretary of State through the ESFA	Annual

<b>Role</b>	<b>Value</b>	<b>Delegated Authority</b>	<b>Method</b>	<b>Review Period</b>
Purchase or sale of any freehold property	Any	ESFA approval required		Annual
Granting any leasehold or tenancy agreement	Any	ESFA approval required		Annual
Taking up any leasehold or tenancy agreement for more than three years	Any	ESFA approval required		Annual

#### 4.1 Wages and Salaries

Role	Value	Delegated Authority	Method	Review Period
Appointment of Staff	Up to Senior Leadership Team	Headteacher	The full process can be found in the Financial procedures policy.	Annual
	Senior Leadership Team	Headteacher & Executive Director		
	Deputy Headteacher	Executive Director		
	Headteacher	Chief Executive Officer		
Changes to Employment Contracts	Any	Central HR Team		Annual
Payroll Processing		SS Payroll Manager	The full process can be found in the Financial Procedures Policy	Monthly
Payroll Payments		As per payment limits for single academy Paylist		
Contracts of employment		Prepared by Office Manager and authorised by Executive Business Manager and the Headteacher	The full process can be found in the Financial procedures policy.	As required

#### 5.0 Assets

Role	Value	Delegated Authority	Method	Review Period
Fixed asset register	£2,000	Executive Business Manager or on- site ICT staff member	All assets to the value of £2,000 either individually or as a group will need to be recorded in the asset register.	Monthly and annually

### Policy History

<b>Policy Date</b>	<b>Summary of change</b>	<b>Contact</b>	<b>Version/ Implementation Date</b>	<b>Review Date</b>