



SCHEME OF DELEGATION OF FINANCIAL POWERS

Approval Date	October 2022
Policy owner	Michelle Wilkins, Director of Finance
Policy model	Compliance: all RSAT schools to use this policy
Review Date	Spring 2023
Regulatory Requirements Met	Section 11.2 of DfE Policy Guidance for Academies

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1.0 Terms of Reference

1.1 The Trust Board

The Trust Board 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 Trust Board'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 Academy Trust Handbook).

The members of the Trust Board 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 Trust Board. 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 above a threshold;
- Authorising the award of contracts and purchases above a threshold;
- Reviewing the reports of the Internal Auditor on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Trust Board.

1.3 Accounting Officer

The Chief Executive Officer (CEO) is the Accounting Officer and has overall responsibility for the AT's activities including financial activities. The 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 Director of Finance, **Head of Finance**, 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.

1.4 The Internal Auditor

The Internal Auditor is appointed by the Risk & Audit Committee and provides Trustees with an independent oversight of the academy's financial affairs. The main duties of the Internal Auditor are to provide the Trust Board with independent assurance that:

- The financial responsibilities of the Trust Board 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 Internal Auditor will undertake an annual 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 Body (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 Head of Finance is responsible for overseeing the budgeting process.	The full process can be found in the Financial procedures policy.	Annual
		The Executive Business Manager 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 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		Prepared by the Shared Service Centre and reviewed by the Director of Finance The Executive Business Managers carry out monthly variance analysis.	All transactions to be processed and reconciled by the SSC for the timely checking and production of the monthly management accounts and governors reports as per the Financial Timetable.	Monthly

Role	Value	Delegated Authority	Method	Review Period
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 by the Shared Service Centre.	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 £100,000	Finance Committee	Finance committee to approve the issuing of sales invoices above £100,000	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		Shared Service Centre and reviewed by Head of Finance.	The Trust's 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 unless specifically agreed by the Director of Finance.		

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 £10,000	Budget holder 1st approval with Headteacher (HT) 2 nd Central: (FD) 2 nd		
Purchase Orders (PO)	PO less than £3,000	Executive Business Manager (EBM) Central: Budget Holder (Executive Director)	The full process can be found in the Financial procedures policy.	As necessary
	PO £3,000 to £10,000	Executive Business Manager (EBM) Central: Budget Holder (Executive Director)	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	Executive Business Manager (EBM) and Headteacher (HT) Central: Budget Holder (Executive Director)	Three written quotes must be obtained. The full process can be found in the Financial procedures policy.	As necessary
	PO Over £25,000	Director of Finance (FD)	Restricted or negotiated tender, including advertising in 'Find a Tender'.	As necessary

Purchase Orders (cont)			appropriate	
	PO Over £100,000	Finance Committee	Open or negotiated tender, including advertising in 'Find a Tender' if appropriate	As necessary

Payments				
Single Supplier payment proposal	Up to £20,000	Executive Business Manager (EBM)	The full process can be found in the Financial procedures policy.	Weekly
	Over £20,000	Director of Finance		Weekly
Total academy payment proposal (paylist)	Up to £50,000	EBM	The full process can be found in the Financial procedures policy.	Weekly
	Over £50,000	EBM 1st and FD 2nd		Weekly
Single academy paylist payment by BACS and payroll	Up to £100,000	Shared Service Centre Finance Business Partner and Head of Finance (minimum of two authorisers)	The full process can be found in the Financial procedures policy.	Weekly
	Over £100,000	Head of Finance and Director of Finance (minimum of two authorisers)		Weekly
Single supplier faster payment and payroll	Up to £10,000 per transaction	Shared Service Centre Finance Business Partner and Head of Finance		As necessary
	Over £10,000	and email approval from the Director of Finance		As necessary

Role	Value	Delegated Authority	Method	Review Period
Credit Card	Limited to £1,000	Headteacher.	The full process can be found in the Financial procedures policy.	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

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
Operating Lease (not borrowing)	Any	Executive Business Manager to recommend Director of Finance to approve and sign		As required
Finance Lease (form of borrowing)	Any	ESFA approval required		As required

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		Annual
	Deputy Headteacher	Executive Director		Annual
	Headteacher	Chief Executive Officer		Annual
Changes to Employment Contracts	Any	Headteacher and EBM and FD where appropriate		Annual
Payroll Processing		SSC Payroll Manager	The full process can be found in the Financial procedures policy.	Monthly
Payroll Payments		As per payment limits for single academy payroll	The full process can be found in the Financial procedures policy.	Monthly
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 or above either individually or as a group will need to be recorded in the asset register.	Monthly and annually

Policy History

Policy Date	Summary of change	Contact	Version/ Implementation Date	Review Date
October 2022	1.0 Terms of Reference ➤ 1.3 updated to Head of Finance and removed temporary delegation.	Finance	October 2022	Spring 2023
	2.0 Budgeting and Reporting ➤ Replaced Financial Controller with Head of Finance ➤ Removed reference to Accounting Technicians	Finance	October 2022	Spring 2023
	3.0 Income ➤ Sales invoices – added Shared Service Centre to raise ➤ Reconciliation of bank accounts - replaced Financial Controller with Head of Finance and removed Accounting Technicians. ➤ Petty Cash – added unless specifically agreed by the Director of Finance	Finance	October 2022	Spring 2023
	4.0 Purchases and Payments Purchases: ➤ replaced Financial Controller with Head of Finance ➤ removed central approval limits	Finance	October 2022	Spring 2023

	<p>4.0 Purchases and Payments Payments:</p> <ul style="list-style-type: none"> ➤ replaced Financial Controller with Head of Finance ➤ replaced Accounting Technician with Finance Business Partner ➤ Added in line for Operational lease <p>Added in line for Finance lease</p>	Finance	October 2022	
January 2022	Updated template. Additional table added to cover page with dates and regulatory requirements met.	Finance	February 2022	Spring 2023
October 2021	<p>1.0 Terms of Reference</p> <ul style="list-style-type: none"> ➤ 1.1 updated to Academy Trust Handbook ➤ 1.3 added temporary delegated financial responsibility to Interim Head of Finance 	Finance	V2-Oct 2021	February 2022
	<p>3.0 Income</p> <ul style="list-style-type: none"> ➤ Amended threshold sales invoice from over £100,001 to £100,000 			
	<p>4.0 Purchases and Payments</p> <ul style="list-style-type: none"> ➤ PR and PO added in Central delegated authority for all roles and values ➤ PO amended threshold for 3 quotes from £1,000 to £3,000 ➤ PO over £25,000 amended to advertise in 'Find a Tender' 			
	<p>4.0 ['Payments' table]</p> <ul style="list-style-type: none"> ➤ Amended wording from 'less than' to 'up to' ➤ Amended single supplier payment from £20,001 to £20,000 ➤ Added 'payroll' to 'single academy payroll payment by BACS' and 'single supplier faster payment' 			

February 2021	2.0 Monthly management accounts-reviewed by FD	Finance	V2-February 2021	February 2022
	3.0 Bank reconciliations-prepared by AT's reviewed by FC			
	4.0 Payments-Total Academy proposed payroll >£50k-EBM 1st approver, FD 2nd approver			
	4.1-Wages & Salaries-changes to employment contracts-designated authority changed to HT and EBM, with FD where appropriate			

