

SPECIALIST LEARNING TRUST

SCHEME OF DELEGATION OF FINANCIAL POWERS

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1. Statement of Intent

- 1.1 In accordance with the Education and Skills Funding Agency (ESFA)'s Academies Financial Handbook 2017, this document outlines the delegation of financial powers within Specialist Learning Trust.
- 1.2 The academy is committed to providing a high standard of education and care, whilst ensuring that value for money is achieved. The internal control systems outlined in this document will be implemented at all times with the aim of the ensuring that the Trust acts in an effective and transparent manner.
- 1.3 This Scheme of Delegation of Financial Powers has been reviewed and approved by all members of the Academy's Board of Trustees and will be reviewed and updated on an annual basis.

2. Delegated Powers of the Members

- 2.1 Members have the right to receive a copy of the audited accounts.
- 2.2 In regards to the Trust's accounts, the members are responsible for appointing external auditors, other than where the Companies Act 2006 permits the Trustees to appoint.

3. Delegated Powers of the Board

- 3.1 A written Scheme of Delegation of Financial Powers will be approved by the Board of Trustees, ensuring that there are adequate operational controls in place for all the financial processes within the Trust.
- 3.2 The Board is responsible for ensuring that the Trust is operating in accordance with the law, its articles of association, its funding agreement and the Academies Financial Handbook 2017.
- 3.3 The proper stewardship of academy funds, including regularity and propriety, as well as ensuring that value for money is achieved, is the responsibility of the Board.
- 3.4 Annual budgets will be formally approved by the Board prior to the start of the new financial year.
- 3.5 Budgetary control reports from the Finance Committee will be discussed at least once per term.
- 3.6 All capital plans for the Trust, as recommended by the Finance Committee, will be received and approved by the Board on an annual basis.
- 3.7 A Register of Business Interests for all Board members, Finance Committee members and staff with financial responsibilities will be kept and maintained by the Board.
- 3.8 In regards to the Trust's accounts, the Board is responsible for the following:
 - Appointing external auditors, where the Companies Act 2006 permits it to do so (see paragraph 1.1);

- Appointing a senior executive leader as Accounting Officer in writing;
 - Receiving the reports of the external auditor;
 - Informing the ESFA if it suspects any irregularity affecting resources;
 - Maintaining complete, accurate and up-to-date records of all financial arrangements;
 - Ensuring that the academy is following the recommended operation and internal controls provided by the Board;
 - Ensuring an effective academy Pay Policy is developed and implemented;
 - Reviewing the academy's Asset Register on an annual basis;
 - Obtaining approval from the Secretary of State via the ESFA before obtaining additional funding, writing off debts and entering into guarantees which are beyond the limits specified in the Academies Financial Handbook 2017;
 - Seeking the ESFA's approval for any element of staff severance payment or compensation payment which is more than £50,000 above any contractual entitlement;
 - Reviewing financial reports prior to the submission of the audited financial statements to the Secretary of State by 31st December each year;
 - Reviewing all pay awards, with any decisions reported to the Finance Committee.
- 3.9 The Board will approve Headteacher performance management on an annual basis, as well as any resulting pay awards.
- 3.10 All core staff appointments within the Trust will be approved by the Board.
- 3.11 The Chair of the Board and the Accounting Officer are responsible for ensuring that their capacity to control and influence does not conflict with the requirements for managing connected party transactions.
- 3.12 The Board will inform the ESFA if it suspects any irregularity regarding Trust funds and instances of fraud or theft exceeding £5,000 in a financial year.

4. Delegated Powers of the Accounting Officer

- 4.1 The Accounting Officer also acts as an executive leader, and is therefore responsible for ensuring that these roles do not rotate so that there is no ambiguity about who is accountable for the financial management and integrity of the Trust.
- 4.2 The Accounting Officer is personally responsible to Parliament and to the ESFA for the financial resources under the Trust's control.
- 4.3 The Accounting Officer is personally responsible for assuring the Board that the Trust is compliant with the Academies Financial Handbook and the funding agreement.
- 4.4 The Accounting Officer is required to advise the Board in writing if, at any time, in his opinion, any action or policy under consideration by them is incompatible with the terms of the articles, funding agreement or Academies Financial Handbook.
- 4.5 The Accounting Officer will advise the Board in writing if the Board appears to be failing to act where required to do so by the terms and conditions of the handbook or funding agreement.

- 4.6 Where the Board continues to act in ways not in accordance with the specified conditions, the Accounting Officer will consider the reasons the Board gives for its decision. If the Accounting Officer still considers that the action proposed by the Board is in breach of the articles, the funding agreement or the handbook, the Accounting Officer is responsible for notifying the ESFA's Accounting Officer immediately, and in writing.
- 4.7 Each year, the Accounting Officer is required to complete and sign a statement on regularity, propriety and compliance, which is submitted to the ESFA along with the audited accounts.
- 4.8 Each year, the Accounting Officer is required to share the annual 'Dear Accounting Officer' letter from the ESFA with the Trust's members, Trustees, Chief Financial Officer and other members of the senior leadership team, arrange for it to be discussed by the Board and take action where appropriate to strengthen the Trust's financial system and controls.
- 4.9 It is the responsibility of the Accounting Officer to demonstrate how value for money has been achieved.

5. Delegated Powers of the Finance and Audit Committee

- 5.1 The Finance Committee exercises the powers and duties delegated to the Board in relation to the financial administration of the academy.
- 5.2 To monitor and review procedures for ensuring the effective implementation and operation of financial procedures including the financial scheme of delegation, bank mandate and separation of duties and where appropriate make recommendations for improvement.
- 5.3 The annual budget will initially be reviewed by the Finance Committee prior to the start of the financial year and its recommendation or otherwise will be given to the Board.
- 5.4 The Finance Committee is responsible for reviewing the reports of the Chief Financial Officer regarding the effectiveness of the academy's financial procedures and controls, reporting any findings to the Board.
- 5.5 The committee will receive and consider information on the financial performance of the academy at least three times a year to ensure ongoing viability, reporting all significant financial matters and any potential overspending to the Board.
- 5.6 At each meeting of the Board, the Finance Committee will report on decisions taken under their delegated power.
- 5.7 The committee is responsible for reviewing the annual financial statements, highlighting any significant issues to the Board, prior to submission to the Secretary of State.
- 5.8 The academy's three year capital plan will be reviewed on an annual basis.
- 5.9 The Finance Committee is responsible for ensuring that appropriate insurance arrangements are in place for the academy.

- 5.10 Annual pay awards, including Headteacher performance management, will be reviewed on an annual basis by the committee, and recommendations for approval to the Board will be made.
- 5.11 All contracts and purchases that require authorisation by the committee will be checked and reviewed.
- 5.12 The Finance Committee is responsible for reviewing and approving gifts in accordance with the academy's gifts and hospitality and anti-bribery policies.
- 5.13 The finance committee will be responsible for authorising the issue of charge cards and approving petty cash limits.

6. Delegated Powers of the Headteacher

- 6.1 The day-to-day financial management of the academy and its staff is the responsibility of the Headteacher, ensuring that the arrangements for the collection of income, purchasing of goods and services, payments and academy assets are in accordance with statutory regulations.
- 6.2 In conjunction with the Chief Financial Officer, the Headteacher will prepare and present an annual budget to the Finance Committee prior to the start of the year.
- 6.3 Income and expenditure reports will be reviewed by the Headteacher, with potential overspending highlighted to the Finance Committee and Board.
- 6.4 The Headteacher is responsible for planning, preparing and annually updating a three-year strategic plan in line with the academy's school improvement plan.
- 6.5 The Headteacher is responsible for preparing a three-year capital plan for recommendation to the Board.
- 6.6 The Headteacher will ensure that all conflicts of interest concerning staff members with financial responsibility are declared and accurately recorded.
- 6.7 The Headteacher is responsible for ensuring that all academy bank account spends are in accordance with the specified authorisation levels.
- 6.8 Tenders can be opened by the Headteacher when in the presence of another authorised person.
- 6.9 In liaison with the Chief Financial Officer, the Headteacher certifies the payment of salaries each month and authorises any necessary overtime/duty claims.
- 6.10 Annual pay awards, including those in relation to non-teaching staff, will be reviewed on an annual basis by the Headteacher and recommendations for approval to the Finance Committee will be made.
- 6.11 The Headteacher is responsible for ensuring that full, accurate and up-to-date records are maintained in relation to the academy's finances, and that these are available for audit by the external auditor.
- 6.12 In conjunction with the Finance Officer and other authorised signatories, the Headteacher is responsible for authorising BACs payments on behalf of the academy.

- 6.13 Working closely with the Finance Officer and Chief Financial Officer, the Headteacher is responsible for ensuring that the academy bank account does not become overdrawn.
- 6.14 The Headteacher will have authority to approve or decline the letting or hire of academy premises to third parties.
- 6.15 In liaison with the Chief Financial Officer, the Headteacher will ensure that all staff members with access to the academy's online banking have the appropriate level of authority and that the correct procedures are followed.

7. Delegated Powers of the Chief Financial Officer

- 7.1 The Chief Financial Officer is responsible for the management of the trust's financial position at a strategic and operational level within the framework of financial control, as determined by the Board, maintaining effective systems of internal control within the Trust.
- 7.2 The Chief Financial Officer works closely with the Headteacher to ensure efficient and effective day-to-day management of the academy's finances, liaising with the Finance Committee and Board as appropriate.
- 7.3 The Chief Financial Officer is responsible for ensuring there are appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments.
- 7.4 The Chief Financial Officer is responsible for ensuring that required information and documentation is submitted to the DfE and ESFA in line with the specified deadlines.
- 7.5 Working alongside the Headteacher and the Finance Officer, the Chief Financial Officer will assist in preparing an annual draft budget for consideration by the Finance Committee and Board of Trustees prior to the start of the academic year.
- 7.6 The academy's income and expenditure is monitored against the approved budget by the Chief Financial Officer and a monthly report is submitted to the Accounting Officer, Chair of the Board and Chair of Trustees.
- 7.7 The Chief Financial Officer prepares a written report to support budget monitoring reports that are submitted at least a week in advance of planned Finance Committee meetings to committee members.
- 7.8 The Chief Financial Officer will provide financial management reports to the full Board at least six times a year.
- 7.9 In conjunction with the Headteacher and other authorised signatories, the Chief Financial Officer is responsible for authorising payments on behalf of the academy in line with the financial scheme of delegation.
- 7.10 The Chief Financial Officer is responsible for maintaining a record of all contracts entered into by the academy, including details of payments, quotes obtained and invoices received.
- 7.11 In the absence of either the Headteacher, the Chief Financial Officer will check the monthly payroll report for accuracy and will certify the payment of salaries.

7.12 Where appropriate, the Chief Financial Officer will advise the Headteacher and the Finance Committee on purchasing decisions.

8. Delegated Powers of the Finance Officer

8.1 Working alongside the Headteacher and Chief Financial Officer, the Finance Officer will assist in preparing an annual draft budget for consideration by the Finance Committee and Board of Trustees prior to the start of the academic year.

8.2 In conjunction with the Chief Financial Officer, the Finance Officer will check the monthly payroll report for accuracy and will certify the payment of salaries each month.

8.3 The Finance Officer is responsible for notifying the payroll provider of any matters affecting payments to employees.

8.4 The Finance Officer is delegated financial responsibility in order to support the Headteacher with the processing of day to day financial processes and procedures in the operation of the academy.

8.5 The Finance Officer is responsible for checking and certifying monthly statements of expenditure against the delegated budget, liaising with the Chief Financial Officer in respect of any potential over or under spending.

8.6 The Finance Officer will maintain the day to day financial records for the academy for a period of at least six years.

9. Delegated Powers of the Deputy Headteachers and Other School Staff

9.1 Deputy Headteachers will authorise individual overtime and duty claims for staff.

9.2 In the absence of the Headteacher, the Deputy Headteachers will deputise for him in line with the responsibilities detailed in the schedule below.

9.3 The Administrative Officer is responsible for ensuring that all income has been accurately accounted for and is promptly collected and banked.

9.4 The following members of staff are authorised to receive and check goods on behalf of the academy:

- Finance Officer
- Budget holders
- Administrators nominated by the budget holder

9.5 Staff members with financial responsibility are aware of the financial regulations which they must act in accordance with.

9.6 Staff members will notify the Chief Financial Officer of any eventuality that could affect the academy's insurance arrangements, such as an overseas school trip.

9.7 All staff members with financial accountability are responsible for maintaining accurate and up-to-date records regarding their actions in relation to the academy's finances.

10. General Financial Management

- 10.1 Where the Trust's transactions go beyond the specified delegated authority limits, prior approval from the ESFA will be sought.
- 10.2 The Trust will seek the ESFA's prior approval for borrowing from any source where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies.
- 10.3 All Trust funds, including that involving charge cards and online banking, will only be used for business expenditure and all balances will be cleared before interest accrues.
- 10.4 All Trust members who hold delegated powers are responsible for ensuring that:
 - There is probity in the use of public funds.
 - Spending decisions represent value for money.
 - Internal delegation levels are applied within the Trust at all times.
 - A competitive tendering policy is implemented.
 - The Official Journal of the European Union (OJEU) procurement thresholds are observed.
 - Relevant professional advice is obtained, where appropriate.
- 10.5 The Trust will disclose aggregate figures for all transactions of any amount, and separate disclosure for individual transactions above £5,000, in their audited accounts for the transactions outlined in the Academies Financial Handbook 2017 paragraph 3.1.8.
- 10.6 All special payments, including staff severance of any value, will be disclosed in total and individually.
- 10.7 All ex-gratia payments will be referred to the ESFA for prior authorisation.
- 10.8 The academy Trust has delegated authority to approve individual compensation payments, provided that any non-contractual element is under £50,000. Where the payment is above this amount, the ESFA's prior approval will be obtained.
- 10.9 All members of the Trust with financial responsibility are required to record the details of any relevant business and pecuniary interests. This register will be published on the Trust's website.
- 10.10 All members of the Trust, including the Board, committee members and all employees, are responsible for ensuring that their connections to the Trust are not used for personal financial gain.
- 10.11 Prior approval of the ESFA will be sought for all transactions with connected parties that are perceived as contentious.
- 10.12 Prior approval of the ESFA will be sought when writing-off debts and losses and entering into guarantees, letters of comfort or indemnities.
- 10.13 The Trust will always pursue recovery of amounts owed to it, overpayments and payments made in error, irrespective of how they came to be made.

- 10.14 No payments will be made to members of the Trust unless such payments are permitted by the academy Trust's articles of association or by express authority from the Charity Commission, and the payments comply with the terms of any agreements entered into with the Secretary of State.
- 10.15 In accordance with the specified authorisation levels, prior approval will be obtained for purchases and payments as necessary, including from external parties such as the ESFA and Charity Commission.
- 10.16 All agreements between the Trust and an individual or organisation in relation to a connected party transaction will be on the basis of an open book agreement, including a requirement for the supplier to demonstrate, if requested, that their charges do not exceed the cost of supply.
- 10.17 All agreements between the Trust and an individual or organisation in relation to connected party transactions will be supported by a statement of assurance from the individual or organisation confirming that their charges do not exceed the cost of the goods or services supplied.

**Specialist Learning Trust - Authorisation Levels
November 2019**

Refer to Academies Financial Handbook (AFH) 2019

Duty	Value	Delegated authority	Method
Virements of budget provision between budget headings	Up to £10,000	Headteacher/Deputy Headteacher in his absence	Report to the Board
	£10,001 to £50,000	Headteacher with approval from the Finance Committee	
	Over £50,000	Finance Committee	
Initiating purchase orders and service contracts of goods and services within the agreed budget	Up to budget limit	Department budget holders	Authorised order requisition to be provided to Finance Officer
	Up to £10,000	Headteacher/Deputy Headteacher in his absence	Selection from preferred supplier list.
	£10,001 to £50,000	Headteacher with the approval of the Finance Committee	Minimum of three quotes required and report to Finance Committee. Lowest quote accepted or reasons for non-acceptance minuted.
	£50,001 to £100,000	Finance Committee	Formal tendering process, including advertising in the OJEU where necessary.
	Over £100,000	Board of Trustees	
ESFA grant claims and ESFA returns	Any	Signatories as required by ESFA	
Unbudgeted expenditure	Up to £5,000	Finance Officer/Chief Financial Officer	Providing budget remains balanced and reported to the Finance Committee at the next meeting
	Up to £20,000	Headteacher	
	£20,000 to £50,000	Finance Committee	Reported to the Board of Trustees
	Over £50,001, but within the academy's reserves	Board of Trustees	
Payroll	Certifying the payroll report	Headteacher/Deputy Headteacher in his absence plus Chief Financial Officer	Headteacher and one other to authorise payment of salaries

Duty	Value	Delegated authority	Method
Authorisation of overtime/additional duties	Any	Headteacher/Deputy Headteacher/Assistant Headteacher	Authorised overtime/duties sheet
Annual Teacher/Support Staff Incremental pay rise	Any	Headteacher	Report to Finance and Audit Committee
Annual Leadership Team incremental pay rises (Exc HT)	Any	Headteacher recommendation to the Finance & Audit Committee	
Annual Headteacher incremental pay rise	Any	Headteacher appraisal committee recommend to Finance & Audit Committee	Report to full Board
Bank reconciliations	All pages of bank statements	Headteacher and Finance Officer	Bank statements reconciled against monthly transactions and unreconciled receipts and payments
Banking cash and cheques	Any	Admin Officer	Cash and cheques kept on the school property will not accumulate above the insurance limit of £1,000.
Petty Cash and staff personal expenses	Up to £250	Finance Officer/Chief Financial Officer	Authorisation to be given prior to purchase
	Over £250	Headteacher/Deputy Headteacher in his absence	
Disposal of assets	Up to £1,000	Headteacher	Original cost, maintaining the principles of regularity, propriety and value for money.
	£1,001 to £10,000	Finance Committee	
	Over £10,000	Board of Trustees	
	Over £45,000	Board of Trustees	
	Land, buildings and heritage assets	Board of Trustees plus prior written approval of the ESFA	
Acquiring of assets	Freehold of land or buildings	Board of Trustees plus prior written approval of the ESFA	

Duty	Value	Delegated authority	Method
Writing-off debts	Up to £1,000	Headteacher, reporting to the Finance Committee	Anything above these limits requires approval by the Secretary of State through the ESFA.
	£1,000 to £10,000	Finance Committee	
	Over £10,000 and below 1% of total annual income or £45,000 (whichever is smaller) per single transaction subject to a maximum of £250,000	Board of Trustees and the ESFA where applicable	
Special payments, including staff severance and compensation payments	Up to £49,999	Board of Trustees	
	Over £50,000	Board of Trustees plus ESFA approval before an offer is made to the employee	
Ex-gratia payments	Any	ESFA prior approval required	
Novel or contentious payments	Any	Board of Trustees plus prior ESFA approval	
Bank cards	Up to £5,000 each card	Follow purchase order authorisation levels and separation of duties	Approval to issue charge cards to be given by the Finance Committee
Leasehold or tenancy agreement exceeding seven years	Any	Board of Trustees plus prior ESFA approval	
Borrowing	Any	ESFA approval required	

12. Separation of Duties

Ordering goods and services

(a) Initiating Officer:

A member of staff authorised by the Board to sign official orders (or order requisitions where utilised) on behalf of the academy.

- Headteacher, or in his absence Deputy Headteacher,
- Departmental budget holders in line with delegated authority limits

(b) Authorising Officer:

A member of staff other than (a) or (c), who passes an invoice for certification, having confirmed receipt of goods or services and checked arithmetical accuracy, quantities, prices etc. to the original order.

- Finance Officer or in her absence Chief Financial Officer

(c) Certifying Officer

A member of staff other than (a) or (b) designated by the Trust to certify individual invoices for payment. In certifying an invoice for payment the Certifying Officer is indicating that all relevant Financial Regulations have been complied with.

- Chief Financial Officer, or Deputy/Assistant Head if the Chief Financial Officer has acted as Authorising Officer

(d) Bank Signatories

The Trustees determine a minimum of four cheque signatories, of which any two should sign each cheque or authorise BACs runs for the academy bank account. The signatories may include any of the persons (a) to (c) above.

At Glebe School the signatories will be:

- Headteacher
- School Business Manager
- Chief Financial Officer
- Finance Officer
- Deputy Headteachers

13. Lloyds Business Charge Card

Lloyd's business charge cards have been approved for the Finance Officer and the Chief Financial Officer with each card holding a credit limit of £5,000.

The cardholders will comply with the Procedures for the Use of Procurement Cards Policy.

14. Local Cash Facility at Glebe School

A local arrangement to allow the school keeper to collect cash withdrawals of up to £800 at the West Wickham branch of Lloyds has been authorised