

SCHEME OF DELEGATION (financial powers)



The Trustee Board have agreed this Scheme of Delegation, established as a formal schedule that distinguishes between matters reserved exclusively for Trustees' approval or decision and matters delegated to committees and individuals. The Scheme of Delegation includes the financial limits and signatories applicable to such matters as placing orders and contracts, and issuing cheques. The scheme must satisfy the Trustees' ultimate responsibility for ensuring that there are adequate operational controls in place for all the financial processes within the Trust. The Scheme of Delegation should be operated in conjunction with the regulations and duties conferred upon it by the latest version of the Academies Trust Handbook.

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Reviewed and approved by:
Board of Trustees of Robert May's School
Date: 13 July 2021.....

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Review due: : July 2022.....

1 Financial Powers and Duties Reserved for the Members

The Members are signatories to Robert May's School Articles of Association. They shall be responsible for:

- 1.1** The appointment of auditors.
- 1.2** Receive the audited annual accounts
- 1.3** Meet at least once a year for the Annual General Meeting in accordance with the regulations laid down in Robert May's School's Articles of Association.

2 Financial Powers and Duties Reserved for the Trustee Board

The Trustee Board shall be responsible for:

General

- 2.1** Approval of a written scheme of delegation of its financial powers and duties of the Resources Committee, the Headteacher and other staff. The scheme must satisfy the Board of Trustees ultimate responsibility for ensuring that robust internal controls are maintained for all the financial processes within the Academy. The Scheme of Delegation should be operated in conjunction with the ESFA's Academies Trust Handbook and Summary of freedoms and delegations (Appendix 1).

Budgets/Budgetary Control

- 2.2** Formally approving the annual Trust budget prior to the start of each financial year.
- 2.3** Considering budgetary control reports from the Resources Committee at every meeting, with relevant explanations and documentation where required.
- 2.4** Approving unbudgeted expenditure arising in the year greater than £50,000 with due regard to the school's reserve policy and forecasted reserves at the end of the financial year.

Purchasing

- 2.5** Maintenance of a Register of Business Interests for all Trustees and those Academy staff with financial responsibilities.
- 2.6** Authorisation of the award of contracts above £250,000.

Staffing, salaries, payments to staff

- 2.7** The Trust is the employer of all staff. Authorisation of exceptional contracts, salaries or payments to employees (excluding ex gratia payments) that are outside the limits of the annual budget on the recommendation of the Resources Committee.

Write Offs

- 2.8** Authorisation of the write-off of debts not collectable greater than £10,000. The Secretary of State's prior approval is also required if debts to be written off are above the value set out in the latest Academy's Trust Handbook greater than 1% of annual income or £45,000 individually, or 2.5% or 5% of annual income cumulatively (see Annex B write offs). Writing off debts and losses are subject to a£250k ceiling.

Security of Assets

- 2.9** Authorisation of the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with either an original purchase value or net book value in excess of £20,000.

Accounts and Audit

- 2.10** Approve the Annual Reports and Accounts submit to the Secretary of State by 31 December each year.
- 2.11** Receiving the reports of the external auditor.
- 2.12** Receiving the Internal Assurance reports from the external auditor on the use of resources, systems of internal financial control, and discharge of financial responsibilities.

- 2.13** Informing the ESFA if it suspects any irregularity affecting resources and instances of fraud or theft exceeding £5000 individually or cumulatively in any financial year, or of any value where the fraud is unusual or systematic.

3 Financial Powers and Duties Delegated to the Resources Committee

The Resources Committee shall be responsible for:

General

- 3.1** Exercising the powers and duties of the Trustee Board in respect of the financial administration of the Trust, except for those items specifically reserved for the Members, Board of Trustees and those delegated to other committees, the Headteacher and other staff.
- 3.2** Reporting on decisions taken under delegated powers to the next meeting of the Trustee Board.

Budgets/Budgetary Control

- 3.3** Reviewing the annual Trust budget prior to the start of each financial year and recommending its approval, or otherwise to the Trustee Board.
- 3.4** Considering budgetary control reports on the Trust's financial position at every meeting, taking appropriate action to contain expenditure within the budget and report to the Trustee Board.
- 3.5** Reviewing transfers between budget headings authorised by the Headteacher and CFO. Authorisation of transfers of sums between budget headings in excess of £50,000. Approving unbudgeted expenditure arising during the year greater than £15,000 and up to £50,000 per occurrence and reporting up to the Trustee Board with due regard to the school's reserve policy and forecasted reserves at the end of the financial year.
- 3.6** Reporting to the Board of Trustees all significant financial matters and any actual or potential overspending.
- 3.7** Reviewing and approving gifts in accordance with the school policy on Gifts & Hospitality.

Purchasing

- 3.8** Approving the award of orders and time value of contracts that relate to the approved Budget that are over £100,000 and less than £250,000.

Insurances

- 3.9** Ensuring that arrangements for insurance cover are in place and adequate.

Security of Assets

- 3.10** Ensuring that there are annual independent checks of assets and the asset register
- 3.11** Authorising the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with either an original purchase value or net book value above £5,000 and up to £20,000 and reporting such authorisations to the Trustee Board.

Write Offs

- 3.12** Authorising the write-off of bad debts greater than £1k and up to £10,000 with reporting to Trustee Board per occurrence.

3 Financial Powers and Duties Delegated to the Resources Committee (cont'd)

Accounts and Audit

- 3.13** Reviewing the draft financial statements and highlighting any significant issues to the Trustee Board, prior to submission to the Secretary of State by 31 December each year.
- 3.14** Receiving the reports of the auditor on the use of resources, systems of internal financial control, and discharge of financial responsibilities and highlighting significant issues to the Board of Trustees.
- 3.15** Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985, SORP and the DfE/ESFA guidance issued to Academies, approved by the Trustee Board and presented to the Members.

Staffing, salaries and payments to staff

The Resources Committee exercises the powers and duties of the Trustee Board in respect of staff structure and staffing, recruitment, conditions of service, employment contracts, policies regarding employees' pensions, and any related matters including industrial action, disputes, grievances and settlements. It is responsible for:

- 3.16** Approving the school staffing structure and ensuring that staffing costs remain within the allocated school budget for the year.
- 3.17** Receiving the report from the Pay and Performance Committee about teaching staff pay and performance as part of the annual Performance Related Pay Cycle.
- 3.18** Approving recommendations from the Pay and Performance Committee about non-teaching pay and performance as part of the local East Hampshire Support Staff (EHCC) annual appraisal cycle.
- 3.19** Consider the financial impact of the Report from the Pay and Performance Committee, ensuring that any performance increments awarded to staff are included in the forecasted budget for the year.
- 3.20** Reviewing and approving the recruitment costs and/or allowances for recruitment of new appointments, of up to £5,000 where relevant, when either market forces or subject shortages make it necessary for the Headteacher to request salary enhancement for a vacant role.
- 3.21** Approving staff severance, settlement and/or compensation payments up to £50,000. Seeking approval from the ESFA for non statutory/non contractual element of severance, settlement and/or compensation payments of £50,000 or over (gross, before tax and any other deductions). Additionally, seek ESFA approval before making an exit package which includes severance payment above£100,000 and /or where the employee earns over £150,000. Reporting to the Trustee Board any such special payments paid to employees outside of normal statutory or contractual requirements.

4 Financial Powers and Duties Delegated to the Pay and Performance Committee

Staffing, salaries and payments to staff

The Pay and Performance Committee exercise the powers and duties of the Trustee Board in respect of setting the Pay Policy for the School and implementing the approved Pay Policy in respect of the pay for all staff.

- 4.1** Annually review and approve the school's Pay Policies.
- 4.2** Ratify annual pay progression for teachers and support staff, taking into account any recommendations made through the performance management processes by the Headteacher and relevant senior managers, in accordance with the approved Pay Policy.
- 4.3** Approve annual pay progression for the Headteacher, taking into account the recommendation made by the Headteacher's performance Review Panel, following the annual review.
- 4.4** Report to the Resources Committee any financial impact where pay award and/or progression changes are estimated to be more than those identified in the approved Budget.

5 Financial Powers and Duties Delegated to the Headteacher

The Headteacher is the Accounting Officer and has delegated powers and functions in respect of internal organisation, management and control of the Trust, the implementation of all policies approved by the Trustee Board and for the direction of teaching and the curriculum.

Within the framework of the academy improvement plan as approved by the Trustee Board, the Headteacher has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the CFO but the Headteacher still retains responsibility for:

Budgetary control

- 5.1** Reviewing income and expenditure reports and highlighting actual or potential overspending to the Resources Committee.
- 5.2** Approving transfers between budget headings, as reported in the GAG statement, greater than £10,000 and up to £50,000 and reporting such approval to the Resources Committee.
- 5.3** Approving unbudgeted expenditure arising during the year greater than £5,000 and up to £15,000 per occurrence and reporting up to the Resources Committee.

Financial Management

- 5.4** Ensuring the arrangements for collection of income, ordering of goods and services, payments and security of assets are in accordance with the Financial Regulations, Academies Trust Handbook and any other current statutory requirements.

Purchasing

- 5.5** Authorising orders and contracts over £20,000 and up to £100,000 that relate to the approved Budget in conjunction with the CFO and reporting these orders to the Resources Committee for review.

5 Financial Powers and Duties Delegated to the Headteacher (cont'd)

- 5.6** Signing cheques in conjunction with the CFO or other authorised signatory.
- 5.7** Ensuring that all contracts and agreements conform to the Financial Regulations in conjunction with the CFO.

Payroll

- 5.8** With the consent of the Resources Committee, authorising changes to the Trust's staff establishment.
- 5.9** Authorising the monthly payroll with the CFO.

Security of Assets

- 5.10** Ensuring that proper security is maintained at all times for all buildings, furniture, equipment, vehicles, stocks, stores, cash, information and records etc. under their control.
- 5.11** Authorisation to dispose of individual assets with an estimated original value or net book value of up to £5,000 that have become surplus to requirements, unusable or obsolete and reporting such authorisations to the Resources Committee.

Write offs

- 5.12** Authorisation to write-off bad debts in one financial year of up to £1,000 reporting to the Resources Committee per occurrence.

Accounts and Audit

- 5.13** The operation of financial processes within the Academy, ensuring that adequate operational controls are in place and that the principles of internal control are maintained in accordance with current statutory requirements.
- 5.14** Ensuring that full, accurate and up to date records are maintained in order to provide financial and statistical information.
- 5.15** Ensuring ongoing in year QA processes are in place via independent scrutiny and internal checks.

Emergencies/Emergency Powers

- 5.16** The above duties can be delegated to the Senior Deputy Head in the event of the prolonged absence of the Headteacher.

6 Financial Powers and Duties Delegated to the CFO

The CFO works in close collaboration with the Headteacher through whom he or she is responsible to the Trustees. The CFO, in conjunction with the Headteacher provides advice to the Trustees on the Trust's strategic financial planning and has direct access to the Trustees via the Resources Committee. The main responsibilities of the CFO are:

Budgets/Budgetary Control

- 6.1** Preparing an annual draft budget plan for consideration by the Resources Committee and Trustee Board before the start of the relevant financial year.
- 6.2** Monthly monitoring of expenditure and income against the approved budget and submitting reports on the Trust's financial position to every meeting of the Resources Committee. Any actual or potential overspending shall be reported to the Resources Committee.

- 6.3 Approving transfers between budget headings, as reported in the GAG statement, up to a value of £10,000 and reporting such approval to the Resources Committee
- 6.4 Approving unbudgeted expenditure arising during the year up to £5,000 per occurrence and reporting up to the Headteacher.

Accounts and Audit

- 6.5 The day to day management of financial issues including the establishment and operation of a suitable accounting system.
- 6.6 The management of the academy financial position at a strategic and operational level within the framework of financial control determined by the Trustee Board.
- 6.7 The maintenance of effective systems of internal control
- 6.8 Ensuring the annual accounts are properly presented and adequately supported by the underlying books and records of the academy.
- 6.9 Ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.

Purchasing

- 6.10 Authorising orders and contracts up to £20,000 that relate to the approved budget and reporting all purchase orders to the Headteacher for review.
- 6.11 Maintaining a register of formal contracts entered into, amounts paid and certificates of completion.
- 6.12 Retention of quotes obtained for goods, works and services as appropriate.
- 6.13 Ensuring that all correct invoices are duly certified by authorised staff before payments are made and that invoices, vouchers and other records are retained and stored in a secure way and are readily available for inspection by authorised persons.
- 6.14 Ensuring the appropriate segregation of duties between staff responsible for processing orders, receiving deliveries and processing payments.
- 6.15 Signing cheques in conjunction with the Headteacher or other authorised signatories.

Payroll and Personnel

- 6.16 Notifying the payroll officer of any matters affecting payments to employees.
- 6.17 Ensuring the monthly payroll is checked and authorising the monthly payroll with the Headteacher. With the consent of the Headteacher, authorising any changes to the support staff structures
- 6.18 With the consent of the Headteacher, authorising any support staff posts advertised
- 6.19 Authorising any changes in salary to existing staff after consultation with and permission from the Headteacher.

6.20 Income

- 6.21 Ensuring that all income is accurately accounted for and is promptly collected and banked intact.

Banking Arrangements

- 6.22 Maintaining proper records of account and reviewing monthly bank reconciliations.

6. Financial Powers and Duties Delegated to the CFO (cont'd)

Insurances

- 6.23** Ensuring that the arrangements for insurance cover are in place and are adequate.
- 6.24** Notifying the Resources Committee on any eventuality that could affect the Academy's insurance arrangements.

Security of Assets

- 6.25** Maintaining a permanent and continuous register of all items of furniture, equipment, vehicles, plant and assets over £5,000.

Information and Communication Systems

- 6.26** Maintaining the standards of control for such systems in operation within the Trust to include the use of properly licensed software, and for the security and privacy of data in accordance with the Data Protection Act.

7. Financial Powers and Duties Delegated to Other Staff

Members of staff with delegated responsibilities should be aware that these must be exercised in accordance with Financial Regulations.

The following responsibilities are delegated to other staff in addition to the Headteacher and CFO:

Budgets/Budgetary Control

- 7.1** Appointed Budget Holders are responsible for checking and certifying monthly statements of expenditure against their delegated budget and for reporting any errors or irregularities to the Finance Officer / CFO. They should report any actual or potential overspending shall also be reported to the CFO.

Purchasing

- 7.2** Budget Holders can authorise orders up to £3,000 provided it is within the scope and remaining balance of their delegated budget. Orders over £3,000 and up to £20,000 must be countersigned by the CFO.
- 7.3** Expenditure requiring a signed Contract can only be signed off by the CFO. Appointed Budget holders are not permitted to sign contracts on behalf of the school.
- 7.4** The following members of staff are authorised to receive and check goods:
- Budget Holders
 - Administrators nominated by the Budget Holder / CFO

Payroll

- 7.5** Budget Holders can authorise time records.

Summary of Financial Authorisation Levels

Delegated Duty	Value	Delegated Authority	Method
Purchasing Ordering Goods and Services (raising requisitions) within the approved Budget headings	Up to £3,000	Budget Holder within approved budget	Selection from preferred supplier list unless agreed otherwise with CFO
	>£3,000 and up to £20,000	Budget Holder + CFO within budget	
	Up to £20,000	Approval of contracts & orders within approved Budget - CFO	Minimum of three quotes and report to Headteacher
	>£20,000 & < £100,000	Approval of contracts & orders within approved Budget - Headteacher	Minimum of three quotes and report to Resources Committee
	>£100,000 & <£250,000	Approval of contracts & orders within approved Budget - Resources Committee	Formal tender process and report to the TB
	>£250,000	Trustee Board (TB)	
Unbudgeted expenditure	Up to a maximum of £5,000	CFO	Reported to Resources Committee
	>£5,000 & Up to a maximum of £15,000	Headteacher	
	>£15,000 & Up to a maximum of £50,000	Resources Committee	Reported to TB
	>£50,000 but within the schools reserves excluding sink funds	TB	
Signatories for cheques, BACS payment authorisations and other bank transfers	Any	Two signatories from : - CFO - Headteacher (HT) - Deputy Headteacher	
Signatories for ESFA grant claims and ESFA Returns	Any	Two signatories (or as required by ESFA) from: - CFO - HT - Deputy Headteacher	
Transfers of budget Provision between budget headings <i>(i.e.. Staffing expenditure and Non staffing expenditure and excluding trips and Sink Fund)</i>	Up to £10,000	CFO reporting to HT	
	>£10,000 to £50,000	As above plus HT, with reporting to the Resources Committee	
	Over £50,000	Resources Committee	

Summary of Financial Authorisation Levels (cont'd)

Delegated Duty	Value	Delegated Authority	Method
Disposal of assets	< £5,000	Headteacher	Original cost or Net Book Value
	>£5,000 & up to £20,000	Resources Committee	
	>£20,000	TB	Original cost or Net Book Value
	Over £45,000	As above, plus ESFA agreement required for disposal of land & buildings & heritage assets. See Appendix B	Original cost
Write-off of bad debts and Guarantees, indemnities or letters of comfort	Up to £1,000	Headteacher reporting to Resources Committee	
	>£1,000 & up to £10,000	Resources Committee	Reported to TB
	& up to 1% of income or £45,000 individually; or up to 2.5% or 5% of annual income cumulatively	TB	
	Over 1% of annual income or £45,000 individually, or up to 2.5% or 5% of annual income cumulatively subject to a maximum of £250,000	ESFA consent required	
Purchase or sale of any freehold property, land or buildings or heritage assets	Any acquisition or disposal	ESFA agreement required	
Granting or take up of any leasehold or Tenancy agreement exceeding 7 years	Any	ESFA agreement required	
Borrowing & Credit Cards for business use only	Any	ESFA agreement required	
	Any	Resources Committee	
Special Payments Staff severance and compensation Ex gratia payments	< £50,000	Resources Committee reporting to TB	
	> £50,000 or more before tax	ESFA agreement required	
	Any	ESFA agreement required	

Summary of freedoms and delegations

5.1 This summary is not a substitute for the full handbook. Trusts' delegated authorities are subject to the conditions in section [5.60](#). Trusts under a [notice to improve](#) will have their delegated authorities revoked under section [6.21](#).

Novel, contentious and repercussive	Novel, contentious and repercussive transactions	ESFA agreement required [5.5]
Special payments	Staff severance and compensation	ESFA agreement required if £50,000 or more before tax [5.10] and [5.15]
	Ex gratia payments	ESFA agreement required [5.18]
Write-offs and liabilities (subject to £250,000 ceiling)	Writing-off debts and losses	ESFA consent required if exceeds: <ul style="list-style-type: none"> • 1% of annual income or £45,000 individually; or • 2.5% or 5% of annual income cumulatively [5.19] and [5.20]
	Entering into guarantees, indemnities or letters of comfort	
Acquisition and disposal of fixed assets	Acquiring freehold land/buildings	ESFA agreement required [5.23]
	Disposing of a freehold on land/buildings	ESFA agreement required [5.23]
	Disposing of heritage assets	ESFA agreement required [5.23]
	Other disposals	Trust has full discretion [5.24]
Leasing	Taking up a finance lease	ESFA agreement required [5.26]
	Taking up a leasehold on land and buildings	ESFA agreement if lease term seven years or more [5.26]
	Taking up any other lease	Trust has full discretion [5.27]
	Granting a lease on land and buildings	ESFA agreement required [5.26]
GAG	GAG carry forward	No limits if trust eligible [5.29]
	Pooling by trusts with multiple academies	No limits (except PFI) if trust eligible [5.30]
Borrowing	Loan, overdraft	ESFA agreement required [5.33]
	Credit cards (for business use)	Trust has full discretion provided charges not incurred [5.33]
Related party transactions	Supplies to the trust from related parties	ESFA agreement required over £20,000 and over associated limits in [5.42]