

TORFIELD & SAXON MOUNT ACADEMY TRUST

**POLICY AND SCHEME FOR THE DELEGATION
OF THE FINANCIAL POWERS AND DUTIES
OF THE BOARD OF DIRECTORS**

**Agreed by Directors
Board Meeting 23 March 2017**

POLICY REGARDING THE DELEGATION OF ACADEMY TRUST FINANCIAL POWERS AND DUTIES

INTRODUCTION

The Board of Directors of Torfield and Saxon Mount Academy Trust have responsibility for managing a delegated budget as defined by the Academies Funding Agreements and Academies Financial Handbook (AFH). Many of the Board of Director's responsibilities will be delegated to the Academy Advisory Board and to the Executive Headteacher. To ensure that sound financial control is maintained, this policy statement clearly specifies the extent of delegation and responsibility at this federation of academies.

In accordance with the Academies Financial Handbook (AFH), the Executive Head Teacher is also the appointed Accounting Officer for the MAT and assumes the additional responsibilities and duties of this appointment.

Also in accordance with the AFH, the Director of Finance, Resources and Operational Strategy is the appointed Principal Finance Officer for the MAT and assumes the additional responsibilities and duties of this appointment.

In accordance with the Company's Articles of association, the meeting of The Board of Directors which adopted this Scheme of Delegation did have a quorum of any 3 Directors or one third of the total number of Directors (rounded up to a whole number) of the membership of The Board of Directors when complete.

The Scheme of Delegation must be operated in conjunction with the Academies Financial handbook (AFH), Academies Funding Agreements. We require our own written local internal financial rules to support the Scheme, our policy and to detail operational procedures.

It is recognised by the Board of Directors that each academy within the MAT needs to have individual procedures in place as required, but that the Executive Headteacher may need to make such decisions that ensure efficient organisation and operation across the Trust schools in order to avoid unnecessary duplication in implementing the scheme of delegation. Such decisions will be reported to the chair of the board at the earliest available opportunity. A number of procedures are standardised across the federated schools and the intention is to continue to do this wherever possible to achieve efficient use of human resources, systems and processes.

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1. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Delegation of Responsibilities

- 1.1 The Board shall approve a written Scheme of Delegation of its financial powers and duties to the Executive Headteacher. The Scheme must satisfy the Board's ultimate responsibility for ensuring that there are adequate operational controls in place for all the financial processes within the federation.
- 1.2 The Scheme of Delegation must be operated in conjunction with the Academies Financial handbook and the Academies Accounts Direction, as issued annually by the EFA.
- 1.3 The Scheme of Delegation must be reviewed and approved on an annual basis.
- 1.4 The board shall ensure that EFA agreement is gained for the following:
 - 1.4.1 Any novel and contentious transactions as designated within the Academies Financial handbook.
 - 1.4.2 Bank loans or overdrafts
 - 1.4.3 Finance leasing arrangements
 - 1.4.4 Leaseholds on land and buildings for periods over 7 years.
 - 1.4.5 Granting a lease on any academy land and buildings
 - 1.4.6 Write off of debts or losses that exceed 1% of annual income or with individual values of £45,000.
 - 1.4.7 Entering into guarantees, indemnities or letters of comfort with values exceeding either 2.5% individually or 5% cumulatively
 - 1.4.8 Any staff severance or compensation payments of £50,000 or more.
 - 1.4.9 Any Ex-gratia payments to staff regardless of value
 - 1.4.10 Acquisition and disposal of freehold land or buildings and disposal of heritage assets
- 1.5 The board will submit and otherwise publish annual reports and financial statements within the designated timescales and with all relevant regulatory bodies.

Budgets

- 1.6 The Board of Directors shall approve the School Development Plan, one year budget forecast and any longer term future financial plans as required for each academy in the MAT. The initial budget forecast will be submitted to the EFA by the 31st of July each year,

or to other designated timescales as directed by the EFA, for the budget period commencing from the 1st September of that year.

- 1.7 The Board of Directors shall receive and consider regular financial management reports from the Executive Headteacher and Director of Finance and Resources with relevant explanations where required, at least three times a year, in accordance with the AFH.
- 1.8 All virements between expenditure and income budgets in excess of £25,000 per academy shall be approved by the Board.
- 1.9 The Board of Directors shall approve business plans for extended school community facilities and 1 and 3-year budget forecasts for each school before they are submitted to the EFA.

Accounts

- 1.10 The Board shall consider a full report on each school's financial position, and the consolidated MAT financial position, including all financial statements and management letters and the Auditors report, for submission to the EFA by no later than 31st December each year.
- 1.11 The Board will submit an annual accounts return to the EFA by 31st January, for the period of the previous academic year.

Audit

- 1.12 The Board will appoint suitably qualified audit professionals to certify that accounts present a true and fair view of the trust's financial performance and position.
- 1.13 The Board shall receive and consider the audited accounts and any reports, from the appointed auditors.
- 1.14 The Board will notify the EFA as soon as is practically possible, of any instances of fraud or theft exceeding £5000 either individually or cumulatively and any unusual or systematic instances of fraud regardless of value.

Contracts

- 1.15 Tenders other than the most financially favourable, or providing best value on alternative criteria, or late tenders, can only be accepted by the Board, which shall record the reasons for its decision.
- 1.16 The Board shall maintain a register of business and pecuniary interests for all governors and staff. The board will also ensure that all local governors are included when identifying relevant interests from close family relationships.
- 1.17 The Board shall approve all contracts in excess of £25,000.

- 1.18 The Board shall approve operational leasing/contract hire arrangements on the recommendation of the Executive Head teacher and Director of Resources, and being satisfied that the term and method of finance is appropriate for the asset concerned.

Income

- 1.19 The Board of Directors may authorise the write-off of debts between £1000 and £44,999 per single transaction in either school. For debts of £45,000 or higher (or 1% of total annual income of the Trust, whichever is the smaller) the Board must receive EFA consent. Any write offs subject cumulative transaction delegated limits will be in line with the Academies Financial handbook current at the time.
- 1.20 The Board of Directors shall receive, consider and approve the Lettings Policy for each school, including the scale of charges. This Policy shall be made in the context of the aims of the school and academies funding agreements, which set out the values and ethos of the school and the statutory requirements.
- 1.21 The Board of Directors shall not approve any letting of either of the school premises where this hinders the operation of any school activity, either within or outside normal school hours.
- 1.22 The Board will annually review all fees and charges and implement any appropriate changes on the recommendation of the Executive Head teacher.

Security of Assets

- 1.23 The Board of Directors may authorise the write-off of stock deficiencies between £1000 and £45000
- 1.24 The board shall approve procedures specifying when school equipment may be removed from the premises of either school and maintain a 'loans book' to record such movement.

Insurances

- 1.25 The board must make arrangements for all insurance cover it considers necessary.

Ex-Gratia Payments

- 1.26 The EFA must authorise any ex-gratia payments regardless of value. The Board of Directors shall approve a Directors'/Governors' Expenses Policy.

Voluntary (Unrestricted) Funds

- 1.27 The Board of Directors shall review and monitor the balances and use of unrestricted funds, including balances bought forward from school funds.

Loans, Investments and Trust Funds

- 1.28 The Board may only enter into loans, finance leases or any form of borrowing with agreement from the EFA.
- 1.29 The Board must ensure that there is a whistle blowing procedure in place

Chair of Board of Directors Urgency Powers

- 1.30 In the event of urgency powers being invoked by the Chair of the Board, this will be recorded in writing, and reported to the next meeting of The Board of Directors.

2. FINANCIAL POWERS AND DUTIES DELEGATED TO THE EXECUTIVE HEADTEACHER

The Executive Headteacher as Accounting Officer shall report to The Board of Directors any financial matters he considers significant.

The Executive Headteacher / Accounting Officer shall be responsible for:

Information and Communication Systems

- 2.1 All necessary consultations in respect of the introduction of any new information and communication system or the development of an existing system in either school or across the Trust.
- 2.2 The standards of control for such systems in operation within the school and for security and privacy of data.

Accounting

- 2.3 The management of financial processes in each school, ensuring that adequate operational controls are in place and that the principles of internal control are maintained.
- 2.4 Ensuring that full, accurate and up-to-date records are maintained in order to provide financial and statistical information and that the figures are regularly reconciled with the school's bank account.
- 2.5 Maintain a list of staff and their levels of access approved to operate the school's accounting systems.

Audit

- 2.6 Ensuring that all records and documents are available for audit by the Trust's suitably qualified appointed auditors.

Budget Procedures

- 2.7 Preparing a draft School Development plan and budget forecast for the current and forward financial years (where required), for each school and the MAT, for consideration by the board in order to meet EFA deadlines.
- 2.8 Notifying the board of significant variations in each or either of the school budget forecasts.
- 2.9 The Executive Headteacher has freedom in each or either school to vire sums up to £35,000, per academy between budget headings between meetings of the board. Such transfers will be reported to the next board meeting. The Executive Headteacher may make urgent transfers of sums between budget headings in excess of those limits (that is, where delay in doing so would be detrimental to the school and when it is not reasonably practical to obtain approval from the Chair of the board of Directors).

Budgetary Control

- 2.10 Regular monitoring of expenditure and income against the approved budget for each school and submitting reports on each school's financial position to every meeting of the board. Any actual or potential overspending shall be reported to the board.
- 2.11 Ensuring that all the required financial statements and accounts information for each school and the MAT are provided to the board in order to meet EFA timescales for submission of reports.

Orders for Goods, Works and Services

- 2.12 Ensuring that the arrangements for the ordering of goods, works and services in each school or across the MAT are in accordance with the Trust's internal financial rules, Financial Regulations and Funding agreements.
- 2.13 The Executive Headteacher is authorised to sign requisitions and/or orders for goods, works and services in line with this Scheme of Delegation.
- 2.14 Authorising members of staff to order or receive goods and certify invoices for payment and ensuring the appropriate division of these duties between staff. A record must be maintained of such authorisations.
- 2.15 In respect of any orders for goods or services, no one person shall be the signatory/authoriser for all of the following stages:
- a) Authorising the order
 - b) Receiving the goods
 - c) Authorising payment

Contracts

- 2.16 Exercising the following powers and duties of The Board of Directors in respect of the Contract Standing Orders for schools:

- ensuring that all contracts and agreements conform with the Contract Standing Orders for schools
 - acceptance of quotations up to £25,000 in value for each school
 - receipt and custody of all tenders
 - authorisation of senior members of staff to open tenders
 - signing of contracts on behalf of The Board of Directors
 - Compliance with EU purchasing regulations when applicable
- 2.17 Maintaining a register of formal contracts entered into, amounts paid and certificates of completion.
- 2.18 Signing or authorising other senior members of staff to sign certificates where contracts require that interim and final payments are made on such certificates.

Payments

- 2.19 Ensuring the arrangements for processing payments are in accordance with the Scheme of Delegation, Financial Regulations and Funding agreements.
- 2.20 Ensuring that all payments are supported by an invoice or proper account which is duly certified by authorised members of staff before payment.
- 2.21 The Executive Headteacher is authorised to receive goods.
- 2.22 The Executive Headteacher is authorised to certify payments by cheque, cash, BACS and credit card.
- 2.23 Authorising members of staff to order or receive goods and certify invoices for payment and ensuring the appropriate division of these duties between the staff. A record must be maintained of such authorisations.
- 2.24 Ensuring that invoices, vouchers and other records are retained and stored in a secure way and are readily available for inspection by authorised persons.
- 2.25 Authorising payments from either of the school's petty cash floats with the maximum allowable payment under normal circumstances of £5.

Salaries, Wages and Pensions

- 2.26 Notifying the Trust's payroll provider of any matters affecting payments to employees of the County Council.
- 2.27 The Executive Headteacher is authorised to certify pay documents and time records (excluding documents relating to themselves).
- 2.28 Authorising members of staff to certify pay documents and time records, maintaining a record of authorised staff.

- 2.29 Ensuring that any monies advanced to a member of staff who is to leave the either of the school's employment are collected.

Income

- 2.30 Ensuring the arrangements for collection of income are in accordance with Financial Regulations.
- 2.31 Ensuring that all income is accurately accounted for, is promptly collected and banked intact.
- 2.32 Writing off debts up to £1000.

Lettings

- 2.33 The approval of individual lettings is delegated to the Executive Headteacher acting in the context of the Board's Lettings Policy.

Banking Arrangements

- 2.34 Maintaining proper records of account for each school in accordance with Trust requirements.
- 2.35 Approve monthly reconciled bank statements for the Trust's bank accounts.
- 2.36 Monitor cash flow and bank balances regularly, reporting significant issues to the Board when required.

Security of Assets

- 2.37 Ensuring the arrangements for security of assets for each school are in accordance with the Financial Regulations for schools and funding agreements.
- 2.38 Ensuring that proper security for each school is maintained at all times for all buildings, furniture, equipment, stock, stores and cash. A record of all cash holdings in the school shall be maintained.
- 2.39 Keeping an inventory in each school of all items of moveable furniture, equipment, vehicles and plant and ensuring such items are security marked where appropriate.
- 2.40 The receipt, care, safe custody and issue of stocks and stores for each school
- 2.41 Disposal of unusable or obsolete equipment or materials for each school, in accordance with the requirements of and compliance with the Scheme of Delegation and the schools funding agreements..
- 2.42 Maintaining a record of all property removed from each or either of the school's premises in accordance with the procedures issued and recorded in a loans book.

Insurances

- 2.43 Implementing all insurance cover required and as agreed with the Board.

Voluntary Funds

- 2.44 Ensuring that all voluntary funds for each school are properly administered and balances reported to the Board, including balances transferred from existing school funds prior to academy conversion.

Notes

- 2.45 The Executive Headteacher may delegate any of the above tasks to another member of staff in either school, although the Executive Headteacher will remain accountable for the actions of these staff.
- 2.46 The Executive Headteacher shall report all decisions taken under delegated powers to the next meeting of The Board of Directors (School Governance (Procedures) (England) Regulations 2003).

3. DELEGATION OF EXECUTIVE HEADTEACHER'S FINANCIAL RESPONSIBILITIES

Information and Communication Systems

- 3.1 The designated systems manager for each or either school, shall be responsible for the control of systems and for security and privacy of data.

Accounting

- 3.2 The Director of Resources shall be responsible for the operation of financial processes within the MAT, ensuring that adequate operational controls are in place and that the principles of internal control are maintained in accordance with this Scheme of Delegation, Financial Regulations and Academy funding agreements.
- 3.3 The Director of Resources shall ensure that full, accurate and up-to-date records are maintained in order to provide financial and statistical information and that cash balances are regularly reconciled with the MAT's bank account.

Audit

- 3.4 The Director of Resources will ensure that all records and documents are available for audit by the Board's appointed Auditor annually and will facilitate the production of all annual reports and financial statements for agreement by the Board of Directors in time for submission to the EFA by 31st December each year.

Orders for Goods, Works and Services

- 3.5 The Executive Head will countersign all requisitions and/or orders for goods. The following members of staff are authorised to approve requisitions and/or orders for goods, works and services as specified and prior to final authorisation by the Executive Headteacher:

Staff

Types of Order

Head of School/Director of Resources

All

Assistant Head teacher

For goods, etc. for a departments use, subject to there being sufficient provision within the departmental budget and goods are previously identified in budget plans.

3.6 In respect of any orders for goods or services, no one person shall be the signatory for all of the following stages:

- a) authorising the order
- b) receiving the goods
- c) authorising payment

3.7 All authorised orders will be placed by a member of the Federation Finance team who will be responsible for the safe custody and proper use of official orders, maintaining a record of order books in use and marking orders appropriately when they have been paid.

Payments

3.8 The following members of staff are authorised to receive goods:

- a) Head of School
- b) DFR/ADFR
- c) Finance Officers
- d) Premises Manager
- e) School secretary's

3.9 The following members of staff are authorised to certify payments:

- a) Head of School
- b) DFR/ADFR

3.10 Federation Finance staff will ensure that invoices, vouchers and other records are retained and stored securely.

Salaries and Wages

3.11 The DFR/ADFR will notify the Trusts Payroll Provider of any matters affecting payments to employees of the MAT, on receipt of written or signed authorisation by the Executive Headteacher, Head of School or DFR.

- 3.12 The following members of staff, in addition to the Executive Headteacher, are authorised to certify pay documents and time records (excluding documents relating to themselves):
- a) Head of School
 - b) DFR

Income

- 3.13 Federation Finance staff will ensure that all income is accurately accounted for, promptly collected and banked intact.
- 3.14 Federation Finance staff will ensure that no personal cheques are cashed out of money held on behalf of the MAT and that a suitable record is maintained when cash is handed over from one person to another.
- 3.15 The DFR/ADFR will submit VAT reclaim returns monthly to HMRC to ensure timely reimbursement of VAT sums due.

Banking Arrangements

- 3.16 Federation Finance staff will maintain a record of all cash holdings in the school.
- 3.17 The DFR will provide reconciled bank statements to the Executive Headteacher monthly for agreement and authorisation.
- 3.18 The DFR will monitor cash flow and bank balances regularly and report significant issues to the Executive Headteacher.

Security of Assets

- 3.19 The designated member of staff in each or either school shall maintain an inventory of all items of fixed plant and assets, moveable furniture and equipment and ensure such items are security marked where appropriate.
- 3.20 Federation Finance staff, IT Technician and Site Manager in each or either school shall be responsible for the receipt, care, safe custody and issue of all stocks and stores.
- 3.21 The DFR/ADFR, IT Technician and Site Manager in each or either school shall dispose of unusable or obsolete equipment or materials in accordance with the requirements of the Scheme of delegation and the academies funding agreements..
- 3.22 The DFR/ADFR will maintain a record of all property removed from the school premises and ensure that items to be used are in accordance with the procedures issued and recorded in a loans book.
- 3.23 The loans book will be kept in the Main Office of each school and returns made certified by someone independent of the borrower. Loaned equipment must be returned to the site from where it is borrowed.

School Accounting System

3.24 The following members of staff in each or either school have approval to use the school accounting system with the indicated level of access.

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| a) | Director of Finance and Resources | Administrator |
| b) | Assistant Director of Finance and Resources, | Administrator |
| c) | Finance Officer, | Full user |
| d) | Executive Headteacher | Read Only full access |
| e) | External Auditor | Read only full access |