

Scheme of Financial Delegation

December 2016

**Definitions**

Board of Directors (B): statutorily responsible for finances of trust

Accounting Officer (AO): statutorily responsible to Parliament for finances of trust, regularity, probity & value for money

Director of Education (DoE): Champion of standards. Challenges HOS and LGB on financial choices made. Gets deeply involved when something goes wrong.

Finance Director (FD) : Trust’s Chief Financial Officer, technical and leadership role, ensuring sound and appropriate financial governance and delivery of accounts.

Hub Governing Body (HGB): no financial responsibility unless LGB disbanded – school in Special Measures or financial deficit with no recovery plan – in which case takes over LGB responsibilities

Local Governing Body (LGB): in a well run school able to use school budget to make choices in conjunction with HOS. Key in budget setting and monitoring

Head of School (HOS): in a well run school able to use school budget to make choices in conjunction with LGB

School Business Manager (SBM): in a well run school has authority delegated from the HOS

Budget Holder (BH): controls budget in their area of responsibility

|  | B  Board of Directors | AO  Accounting Officer | DOE  Director of Education | FD  Finance director | LGB  Local governing Body | HOS  Head of School | BH  Budget Holder |
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| **Budget & Accounts** |  |  |  |  |  |  |  |
| Set annual balanced budget | Review and approve individual and consolidated budget and set overall strategy as regards holding of reserves and school contributions to central costs | AO, DOE & FD review budgets presented by LGB and present their recommendations to the FC | AO, DOE & FD review budgets presented by LGB and present their recommendations to the FC | AO, DOE & FD review budgets presented by LGB and present their recommendations to the FC | Recommend balanced school budget that should be presented to Board | Prepare budget for school in accordance with school improvement priorities and take to LGB. Advice on preparation to be sought from CAT Finance team | Prepare budget for their budget responsibilities only and submit to HOS |
| School in deficit or setting a deficit budget when all school reserves taken into account | Review and approve the deficit recover plan. Review termly progress reports | Recommend to directors that deficit recovery plan should be approved and review termly reports | Recommend to directors that deficit recovery plan should be approved and review termly reports | Review appropriateness of deficit recovery plan. Recommend to directors that deficit recovery plan should be approved and review termly reports | Recommend deficit recovery plan to Board. Review school’s progress through termly reports | Prepare deficit recovery plan with support from CAT finance team and DOE. Prepare termly reports and report any concerns to the FD |  |
| Budget monitoring | Review termly budget monitoring reports for the trust and individual schools | Review monthly budget monitoring reports for the trust and individual schools | Review monthly budget monitoring reports for the trust and individual schools | Prepare monthly budget monitoring reports for the trust and individual schools and present to directors | Review termly monitoring reports for individual schools | Prepare monthly monitoring reports with support from CAT finance team | Manage spend within the budget set and review at least termly |
| Change budget in year – within original budget envelope set. | Changes to individual school budgets made by LGB are reported to Board. | Changes that are within the budget envelope agreed by directors are reported to the FD, AO and DOE. | Changes that are within the budget envelope agreed by directors are reported to the FD, AO and DOE. | Changes that are within the budget envelope agreed by directors are reported to the FD, AO and DOE. FD to produce termly report for B | Approve changes to budget in year as long as the school remains within the overall budget set and approved by directors. HOS reports changes under their limit and LGB approve changes over HOS limit | Recommend changes in line with school improvement plan and model financial implications. Approve changes up to £5,000 (budgets <£1m) £10,000 (budgets > £1m) and recommend larger changes to LGB |  |
| Change budget in year which would result in an individual school spending more than originally budget | Approve any changes to a school budget that would result in the overall budget position of the trust deteriorating by more than £100,000. Receive reports from AO on changes to budgets that result in the budget position of the trust overall deteriorating | AO, DOE and FD review changes in budgets that would result in the overall budget position of the trust deteriorating.  AO Approves changes up to £100,000 and recommend to B over that amount | AO, DOE and FD review changes in budgets that would result in the overall budget position of the trust deteriorating. | AO, DOE and FD review changes in budgets that would result in the overall budget position of the trust deteriorating. | Scrutinise the HOS proposal and recommend to AO, DOE and FD where LGB consider appropriate. | Recommend to LGB that they ask for permission to make changes to budget that result in the budget position of the school deteriorating from the position set at the start of the year |  |
| Approve Annual Accounts and EFA returns by appropriate deadlines | Review and Approve | Approve and ensure submitted by relevant deadlines |  | Prepare and approve where required. File all statutory financial documents |  |  |  |
| Appoint auditors | Members appoint. Board recommend | Recommend |  | Procure, produce reports for AC & Recommend |  |  |  |

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| **Income** |  |  |  |  |  |  |  |
| Set a remissions and charging Policy | Review and approve CAT standard |  |  | Prepare CAT standard |  | Implement |  |
| Debt recovery policy | Review and approve CAT standard |  |  | Prepare CAT standard |  | Implement |  |
| Accept customer as a suitable person or business to have on site, to sponsor or advertise in school publications |  |  |  | Provide guidance to HOS on request | Receive HOS report | Approve (can delegate to SBM) |  |
| Enter into leases or licences of over 1 year |  | Approve |  | Recommend course of action to AO | Review HOS recommendation and recommend to AO & FD | Recommend that lease or licence should be entered into |  |
| Raise sales invoice within 30 days |  |  |  |  |  | Responsible for (can delegate) |  |
| Issue credit note |  | Authorise over £1000 |  | Up to £1000 |  | Up to £100 per customer per annum |  |
| Write off debt | Approve over £1,000. NB over £45,000 must be approved by EFA | Approve up to £1000 |  | Recommend course of action to AO | Review HOS recommendation and recommend to AO & FD | Up to £100 per customer per annum. Recommend over that amount |  |

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| **Bank** |  |  |  |  |  |  |  |
| Reconciliation of main bank account |  | Review monthly reports |  | Prepare Monthly reconciliations and reports |  |  |  |
| Reconciliation of any other bank accounts held |  |  |  |  |  | Review monthly reconciliations (can delegate to a SBM who does not carry out reconciliations) |  |
| Making payments using banking software |  | Approve bank signatories and limits |  | Recommend Bank signatories and limits |  |  |  |
| Setting up standing orders or direct debits |  | Approve over £1,000 and up to EFA limits |  | Approve up to £1,000 |  |  |  |
| Cash position | Receive report on cash position |  |  | Prepare report on cash position termly |  |  |  |
| Operate Petty Cash account/ School Fund |  | Approve limits by school |  | Review transactions and reconciliation annually. Recommend individual school limits |  | Delegate operation to staff in school and have an overview |  |

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| **Purchasing** |  |  |  |  |  |  |  |
| Placing an order or entering into a contract |  |  | Over £40,000 |  | Up to £40,000 and within budget | Up to £10,000 (Budgets over £1,000,000) £5000 (Budgets up to £1,000,000) and within budget. Secondary up to £5,000 can be authorised by SBM and Primary up to £2,000.  HOS can authorise all orders/ invoices for catering provision or exam fees. | Up to £1,000 and within budget |
| Entering into a contract or lease of over 1 year | Approve over £10,000 total value |  | Review before signature all contracts under £10,000 total value | Sign all contracts over 1 year irrespective of value |  | Maintain a contracts register in school. Recommend contract to DOE |  |
| Authorising an invoice as payable as goods or services are received, suitable and priced as ordered |  |  |  |  |  | Over £1,000.  In Secondary up to £5,000 can be authorised by SBM, in Primary up to £2,000 can be authorised by SBM | Up to £1,000 |
| Making a payment from a school petty cash account/ School Fund |  |  |  |  |  | Up to £1,000. Can delegate payments up to £150 to other staff in school (SBM up to £1,000) |  |
| Using the school/ Trust charge card |  |  | Up to £5000 per month | Up to £5000 per month (can be delegated to central team) |  | Up to £5000 per month. Approve spend by budget holders/ finance staff in school | Up to £1,000 per month |

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| **Staffing** |  |  |  |  |  |  |  |
| Pay & Performance management | Approval of whole Trust Pay Policy, pay scales and benefits. Set the pay ranges of HOS at each academy. Performance management of AO & DOE | Performance management of FD | HOS performance management in conjunction with LGB | Central team performance management below director level | HOS performance management in conjunction with DOE as independent advisor | Teacher and support staff performance management in school |  |
| Appointment, variation of contract, dismissals, secondments or transfers of staff | CEO, DOE and FD |  | Appoint HOS and leadership scale posts in schools; SLT of CAT; discretion to source substitute governor to be involved in recruitment if none available from LGB. | Staff in central team | Recommendation to DOE as to appointment of HOS and staff on the leadership scale. Provide governor to be on interview panel for teaching staff. If none available refer to DOE to find substitute. | Appoint Teaching and support staff in school below leadership scale. Provide opportunity for a member of the LGB to be involved in all teacher interviews. | Educational support staff can be delegated to SLT/ head of dept and non-educational support staff to SBM/ Facilities Manager |
| Authorisation of expense claims | For AO the FD signs monthly expenses and report to B | DOE and FD | HOS | Staff in central team. |  | Teaching and support staff in school. Can delegate to SBM where in post |  |

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| Authorisation of overtime or supply payments |  |  |  | Staff in central team. |  | Teaching and support staff in school. Can delegate to SBM where in post |  |
| Staff severance payments, compensation payments or ex gratia payments | Over £10,000. NB over £50,000 non- contractual and all ex gratia payments require EFA approval | Approve up to £10,000 |  |  |  |  |  |
| Bonuses | Approve Bonus Policy and approve all bonuses awarded in line with Policy |  | Approve award of TLR 3 |  |  |  |  |

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| **Assets** |  |  |  |  |  |  |  |
| Inventory |  |  |  | Review annually |  | Maintain an inventory of assets held in school |  |
| Investments | Agree an investment policy |  |  | Implement investment policy |  |  |  |
| Acquiring or disposing of freehold land or buildings | With prior EFA approval |  |  |  |  |  |  |
| Disposal | Review all sales or disposals over £10,000 |  | Approve sale or disposal over £10,000 |  | Approve sale or disposal up to £10,000 | Approve sale or disposal up to £1,000 value |  |

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| **Probity** |  |  |  |  |  |  |  |
| Internal Audit | Appoint internal auditor. Direct priorities and receive reports. |  |  |  |  |  |  |
| Whistleblowing Policy | Approve | Receive reports |  | Receive reports |  |  |  |
| Risk Management | Review key risks and measures implemented to mitigate | Identify & implement measures to mitigate |  | Identify & implement measures to mitigate |  |  |  |
| Insurance | Review Insurance arrangements |  |  | Procure appropriate insurance for the Trust |  |  |  |