

# Scheme of Delegation of Financial Powers

## The Warwick School



<b>Approved by:</b>	Governors	<b>Date:</b> 06/07/2020
<b>Last reviewed on:</b>	July 2020	
<b>Next review due by:</b>	July 2023	

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## **1 Statement of intent**

In accordance with the ESFA's Academies Financial Handbook 2018, this document outlines the delegation of financial powers within The Warwick School, part of South East Schools Academy Trust (SESSET).

The school 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 ensuring that the trust acts in an effective and transparent manner.

This Scheme of Delegation of Financial Powers has been reviewed and approved by the school's governing body and will be reviewed and updated on an annual basis.

Signed by:

Headteacher

Date:

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Chair of governors

Date:

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## **2 Legal framework**

This policy has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:

EFSA (2018) 'Academies financial handbook 2018'

The Companies Act 2006

This policy operates in conjunction with the following school policies:

The Warwick Pay Policy

SESSET Pay & Performance Management Policy

SESSET Accounting Policy

SESSET Gifts and Hospitality Policy

SESSET Investment Policy

SESSET Competitive Tendering Policy

SESSET Finance Policy

SESSET Reserves Policy

The Warwick Finance Policy

Lettings Policy

## **3 Delegated powers of the members**

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.

## **4 Delegated powers of the governing body**

- A written Scheme of Delegation of Financial Powers will be approved by the governors, ensuring that there are adequate operational controls in place for all the financial processes within the school.
- The governing body is responsible for ensuring that the school is operating in accordance with the law, its articles of association, its funding agreement and the Academies Financial Handbook.
- The proper stewardship of school funds, including regularity and propriety, as well as ensuring that value for money is achieved in order to maximise outcomes for pupils, is the responsibility of the governing body.
- Annual budgets will be formally approved by the governing body prior to the start of the new financial year.
- Budgetary control reports from the Finance Committee will be discussed at least once per term.
- All capital plans for the trust, as recommended by the Finance Committee, will be received and approved by the body on an annual basis.

- A Register of Business Interests for all governing body members, Finance Committee members and staff with financial responsibilities will be kept and maintained by the governing body.
- In regards to the school's accounts, the governing body is responsible for the following:
  - Informing the Board of Trustees if it suspects any irregularity affecting resources.
  - Maintaining complete, accurate and up-to-date records of all financial arrangements.
  - Ensuring that the school is following the recommended operational and internal controls provided by the Trust.
  - Reviewing the school's Asset Register on an annual basis.
  - Obtaining approval from the Trustees before obtaining additional funding, writing off debts and entering into guarantees which are beyond the limits specified in the Academies Financial Handbook.
  - Reviewing all pay awards, with any decisions reported to the Pay Committee.
- The governing body will delegate headteacher performance management to the Pay Committee on an annual basis, as well as any resulting pay awards.
- The governing body will inform the Trustees if it suspects any irregularity regarding trust funds and instances of fraud or theft exceeding £5000 in a financial year.

## **5 Delegated powers of the Finance Committee**

- The Finance Committee exercises the powers and duties delegated to the governing body in relation to the financial administration of the School.
- The Finance Committee will meet as regularly as necessary, but at least once a term.
- Information regarding the financial performance of the school will be reviewed by the committee at least three times a year, taking necessary action to ensure ongoing viability.
- The committee is responsible for reviewing the school's financial statements and highlighting any significant issues to the governing body, prior to submission to the Trust.
- At each meeting of the governing body, the Finance Committee will report on decisions taken under their delegated powers.
- The Finance Committee is responsible for reviewing the reports of the SBM regarding the effectiveness of the school's financial procedures and controls, reporting any findings to the governing body.
- The annual budget will initially be reviewed by the Finance Committee prior to the start of the financial year and its acceptance, or otherwise, will be given to the governing body.
- The committee will report all significant financial matters and any potential overspending to the governing body.
- The school's five-year capital plan will be reviewed on an annual basis.
- The Finance Committee is responsible for ensuring that appropriate insurance arrangements are in place for the school.
- All contracts and purchases require authorisation by the committee, and all details will be checked and reviewed.

## **6 Delegated powers of the Pay Committee**

- Ensuring annual pay awards, including Headteacher's performance management, are reviewed on an annual basis by the committee, and recommendations for approval to the governing body are made. The committee will make certain executive leaders will not be involved in setting or reviewing their own remuneration.
- Reviewing and agreeing annually recommendations for staff pay progression.
- Ensuring an effective Pay Policy is in place.

## **7 Delegated powers of the headteacher**

- The day-to-day financial management of the school 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 school assets are in accordance with statutory regulations.
- The headteacher will prepare and present an annual budget to the Finance Committee prior to the start of the year.
- Income and expenditure reports will be reviewed by the headteacher, with potential overspending highlighted to the Finance Committee and governing body.
- The headteacher, in conjunction with the SBM is responsible for planning, preparing and annually updating a three-year strategic plan in line with the school improvement plan.
- The headteacher in conjunction with the SBM is responsible for preparing a five-year capital plan for recommendation to the governing body.
- The headteacher will ensure that all conflicts of interest concerning staff members with financial responsibility are declared and accurately recorded.
- The headteacher is responsible for ensuring that all school bank account spending is in accordance with the specified authorisation levels.
- Tenders can be opened by the headteacher when in the presence of another authorised person.
- In liaison with the SBM, the headteacher certifies the payment of salaries each month and authorises any necessary overtime.
- 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 Pay Committee will be made.
- The headteacher is responsible for ensuring that full, accurate and up-to-date records are maintained in relation to the school's finances, and that these are available for audit by the external auditor.
- In conjunction with the SBM and other authorised signatories, the headteacher is responsible for signing cheques and BACS payments on behalf of the school.
- Working closely with the SBM, the headteacher is responsible for ensuring that the school bank account does not become overdrawn.

- In liaison with the SBM and accounting officer, the headteacher will ensure that all staff members with access to the school's online banking have the appropriate level of authority and that the correct procedures are followed.

## **8 Delegated powers of the SBM**

- The SBM is responsible for the management of the school's financial position at a strategic and operational level within the framework of financial control, as determined by the governing body, maintaining effective systems of internal control within the trust.
- The SBM works closely with the headteacher to ensure efficient and effective day-to-day management of the school's finances, liaising with the Finance Committee and governing body as appropriate.
- The SBM is responsible for ensuring there are appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments.
- The SBM is responsible for ensuring that required information and documentation is submitted to the DfE and ESFA in line with the specified deadlines.
- The SBM is responsible for ensuring that all income is accurately accounted for and is promptly collected and banked.
- The SBM will assist the headteacher in preparing and presenting an annual budget to the Finance Committee prior to the start of the year.
- In liaison with the headteacher, the SBM certifies the payment of salaries each month and authorises any necessary overtime.
- The SBM, in conjunction with the Personnel Officer is responsible for notifying the payroll provider of any matters affecting payments to employees.
- Working alongside the headteacher, the SBM will assist in preparing an annual draft budget for consideration by the Finance Committee and governing body prior to the start of the academic year.
- The school's expenditure and income is monitored against the approved budget by the SBM and a monthly report is submitted to the Finance Committee.
- The SBM is responsible for maintaining a record of all contracts entered into by the school, including details of payments, quotes obtained and invoices received.
- Where appropriate, the SBM will advise the headteacher and the Finance Committee on purchasing decisions.

## **9 Delegated powers of other school staff**

- Designated staff members will be delegated financial responsibility in order to support the headteacher with the maintenance of the financial controls and procedures in operation at the School.
- Staff members with financial responsibility are aware of the financial regulations which they must act in accordance with.
- The following members of staff are authorised to receive and check goods on behalf of the School:
  - Budget holders
  - Administrators nominated by the budget holder
- Appointed budget holders are responsible for checking and certifying monthly statements of expenditure against the delegated budget, reporting any potential overspending to the SBM.
- Staff members will notify the SBM of any eventuality that could affect the school's insurance arrangements, such as a school trip.
- All staff members with financial accountability are responsible for maintaining accurate and up-to-date records regarding their actions in relation to the school's finances.

## **10 General financial management**

- Where the school's transactions go beyond the specified delegated authority limits, prior approval from the Trust/ESFA will be sought.
- The school will seek the Trust'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.
- All school funds, including those involving credit cards and online banking, will only be used for business expenditure and all balances will be cleared before interest accrues.
- All school 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 school 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.
- The school 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
- Relevant financial procedures implemented within the trust are outlined in the following policies:



- Pay Policy
- Gifts & Hospitality Policy
- Lettings Policy
- Accounting Policy
- All special payments, including staff severance of any value, will be disclosed in total and individually.
- All ex-gratia payments will be referred to the Trust for prior authorisation.
- All members of the school with financial responsibility are required to record the details of any relevant business and pecuniary interests.
- All members of the trust, including the governing body, committee members and all employees, are responsible for ensuring that their connections to the trust are not used for personal financial gain.
- Prior approval of the ESFA will be sought for all transactions with connected parties that are perceived as contentious.
- Prior approval of the ESFA will be sought when writing-off debts and losses and entering into guarantees, letters of comfort or indemnities.
- The school will always pursue recovery of amounts owed to it, overpayments and payments made in error, irrespective of how they came to be made.

## **11 Policy review**

This policy is reviewed every two years by the governing body, or sooner if updates to the Academies financial handbook require changes to be made.

Any changes to this policy will be communicated to members of staff by the headteacher.

The scheduled review date for this policy is April 2021.

## Appendix 1 Authorisation levels

[The figures shown in this template are simply an example and should be adapted to meet the needs of the school; however, all figures shown in relation to gaining ESFA approval are statutory and should not be altered.]

Duty	Value	Delegated authority	Method	Review period
Virements of budget provision between cost centres	Up to £1,000	SBM		As required
	£1,001 to £4,999	Headteacher		
	Over £5,000	Governing Body		
Virements of budget provision between nominal codes.	Any value	Business Manager	Virements to nominal budget allocations may only be made under direction of then accounting officer	
Ordering goods and services within the agreed budget	Up to £1,000	Budget holder	Selection from preferred supplier list, unless otherwise agreed with the SBM.	Monthly
	£1,001 to £4,999	Budget holder with the approval of the headteacher	Two written quotations.	
	£5,000 to £29,999	Headteacher	Minimum of three written quotes required.	
	£30,00 to £99,999	Finance committee_– reporting to the governing body	Formal tendering process, including advertising in the OJEU where necessary.	
	Over £100,000	Governing body	Over EU thresholds, follow EU compliant tendering guidance	
Signatories for cheques, BACS payment authorisations, bank	Up to £249	Headteacher or any member of Senior Leadership Team	One signatory per transaction.	Weekly

Duty	Value	Delegated authority	Method	Review period
transfers, ESFA grant claims and ESFA returns	Over £250	Headteacher or any member of Senior Leadership Team	Two signatories required per transaction/BACS run.	
Authorising invoices	Up to £4,999	All Senior Leaders	Formal tendering process, including advertising in the OJEU where necessary.	As required
	£5,000 to £29,999	Headteacher		
	£30,000 to £99,999	Finance committee – reporting to the governing body		
	Over £100,000	Governing body		
Collecting income	Up to £4,999	SBM		
	£5,001 to £9,999	Headteacher		
	£10,001 to £99,999	Finance Committee		
	Over £100,000	Governing body		
Banking cash and cheques	Any	SBM, Finance Officer.	Cash and cheques kept on the school property will not accumulate above £1,000. Banking will be checked and agreed by another member of staff.	As required
Disposal of assets	Up to £4,999	Headteacher	Original cost, maintaining the principles of regularity, propriety and value for money.	As required
	£5,000 to £9,999	Finance committee		
	Over £10,000	Full governing body		
	Over £45,000	Trustees		
	Land, buildings and heritage assets	Trustees plus prior written approval of the ESFA		
Acquiring of assets	Freehold of land or buildings	Trustees plus prior written approval of the ESFA		

Duty	Value	Delegated authority	Method	Review period
Writing-off debts	Up to £999	Headteacher, reporting to the Finance Committee	Anything above these limits requires approval by the Secretary of State through the ESFA.	Annual
	£1,000 to £10,000	Finance Committee		
	Below 1% of total annual income or £45,000 (whichever is smaller) per single transaction subject to a maximum of £250,000	Trustees and the ESFA where applicable		
Special payments, including staff severance and compensation payments	Up to £4,999	Headteacher		As required
	£5,000 to £49,999	Governing body		
	£50,000 and above	Trustees plus ESFA approval before an offer is made to the employee		
Ex-gratia payments	Any	ESFA prior approval required		As required
Novel or contentious payments	Any	Governing body plus prior ESFA approval		As required
Bank cards and online banking	Up to £5,000	SBM, headteacher and designated budget holders	Charge cards will be kept in a safe and secure location when not in use. Orders require checking by another delegated authority.	Monthly
Leasehold or tenancy agreement exceeding seven years	Any	Trustees plus prior ESFA approval		As required
Borrowing	Any	ESFA approval required		As required

