



Scheme of Financial Delegation

Last updated: 04 June 2020

Next approval date July 2021

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Statement of intent

In accordance with the ESFA's 'Academies financial handbook 2020' (AFH), this document outlines the delegation of financial powers within Omega Multi-Academy Trust and those delegated to each academy within the trust, and the relevant members of staff.

This document has been implemented to ensure the trust's funds are used sensibly and in accordance with statutory guidance, and to clearly outline the responsibilities delegated by the board of trustees.

The Trust 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 always be implemented with the aim of the ensuring that the trust acts in an effective and transparent manner.

This Scheme of Financial Delegation has been reviewed and approved by the board of trustees and will be reviewed and updated on an annual basis.

Signed by:



Chair of the board
of trustees

Date:

Chief financial
officer

Date:

1. Legal framework

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

- ESFA (2019) 'Academies financial handbook 2019'
- The Companies Act 2006

1.2. This policy operates in conjunction with the following school policies:

- [Trust Pay Policy](#)
- [Financial Regulations & Procedures](#)
- [Gifts, Hospitality and Anti-Bribery Policy](#)
- [Fraud Policy](#)
- [Whistleblowing Policy](#)

2. Responsibilities of the members

2.1. In regards to the trust's accounts, the Trustees are responsible for appointing external auditors.

2.2. In accordance with the letter of engagement, the Trustees will vote on any proposals to remove external auditors – reasons for removing an auditor must be provided.

3. Responsibilities of the trust board

3.1. A written Scheme of Financial Delegation will be approved by the board of Trustees, ensuring that there are adequate operational and monitoring 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 charitable objects, its funding agreement and the AFH.

3.3. The proper stewardship of academy 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 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, Audit & Risk (FAR) Committee will be discussed at least once per term.

3.6. All capital plans for the trust, as recommended by the FAR Committee, will be received and approved by the board on an annual basis.

3.7. All Trustees and Governors make declarations annually for Pecuniary, Related Party and Conflicts of Interest. These are kept and maintained by the Clerk.

The board of Trustees is responsible for the following:

Chief Executive Officer (CEO)

- Appointing a CEO who will also be the Trust's Accounting Officer.

External and Internal Audit

- Appointing a CFO and Finance, Audit & Risk committee to oversee financial scrutiny and oversight.
- Appointing external auditors, where the Companies Act 2006 permits it to do so – see paragraph 2.1 – and notifying the ESFA when an auditor is removed or resigns.
- Receiving the reports from the external auditor and internal auditor and ensuring there is an appropriate, reasonable and timely response to the auditor's findings.

Liaising with the ESFA

- Seeking the ESFA's approval and meeting statutory requirements for any element of staff severance payment or compensation payment which is more than £50,000 above any contractual entitlement.
- Informing the ESFA if it suspects any irregularity affecting resources.
- Obtaining approval from the Secretary of State via the ESFA for the following transactions which are beyond the limits specified in the AFH:
 - Additional funding
 - Writing off debts and losses
 - Entering into guarantees, letters of comfort and indemnities
 - Acquiring freeholds
- Cooperating with the ESFA if they require financial information to help inform any audits of the trust they may undertake.
- Seeking approval from the ESFA for any novel, contentious or repercussive investments.
- Seeking approval from the ESFA for ex-gratia transactions.
- Notifying the ESFA if a deficit budget is proposed.
- Complying with any financial notices to improve.

Approval and authorisations

- Approving whistleblowing procedures and ensuring individuals' right to whistleblow. At least one trustee and one member of staff will be appointed for staff to report concerns to.

Scrutiny, review and oversight

- Reviewing and approving the budget forecast return outturn before the deadline for submission to the ESFA, which is 21 May.
- Reviewing and approving the three-year budget forecast return before the deadline for submission to the ESFA, by 30 July each year.
- Maintaining complete, accurate and up-to-date records of all financial arrangements.
- Ensuring that all academies within the trust are following the recommended operational and internal controls provided by the board.
- Keeping records pertaining to related party transactions, to highlight that all transactions have been conducted in accordance with the high standards of accountability and transparency. The Trustees will seek prior approval from the ESFA if a single contract with a related party exceeds £20,000 or when a contract or agreement of any value means that the total value of contracts or agreements with the same related party exceeds £20,000 in a financial year.
- Preparing and monitoring financial plans to ensure the financial health of the trust.
- Reviewing the Trust's Asset Register and Trust's Risk Register on an annual basis.
- Reviewing financial reports prior to the submission of the audited financial statements to the Secretary of State by 31 December each year.
- Reviewing all pay awards, with any decisions reported to the remuneration committee.
- Including contingency and business continuity planning as part of risk management procedures.
- Ensuring sound internal control, risk management and assurance processes are in place.
- Ensuring the protocol and requirements for managing related party transactions are followed and applied across the trust.
- Ensuring the general annual grant is pooled and distributed across the trust fairly, and that an appeals mechanism is in place.
- Ensuring adequate insurance cover is obtained in compliance with legal obligations or that the trust is a member of the academies risk protection arrangement.
- Ensuring the governance statement meets the requirements of the AFH.

Appointing staff

- Appointing a Finance Audit and Risk Committee (FAR), in line with the following requirements:
 - The trust has a dedicated FAR committee.
 - The FAR committee will meet at least three times a year
 - The FAR committee will direct the trust's programme of internal scrutiny and report to the board of trustees on the quality of the trust's financial controls and risk management procedures
 - With a clear terms of reference in place, which outlines the role of the FAR committee, including advising on the adequacy of financial and other controls and risk management arrangements in the trust.

3.8. The board will delegate headteacher performance management to the CEO on an annual basis, but will approve resulting pay awards.

3.9. All Headteacher and Central Service Staff appointments will be approved by the board.

3.10. The board of trustees will inform the ESFA if it suspects any irregularity regarding trust funds and instances of fraud or theft exceeding £5000 in a financial year.

4. Delegated powers of the Accounting Officer (CEO)

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, the public and to the ESFA for the financial resources under the trust's control. This does not remove the responsibility of the trustees for the proper conduct and financial operation of the trust.

4.3. The accounting officer is personally responsible for assuring the board of trustees that the trust is compliant with the AFH and the funding agreement.

4.4. The accounting officer is required to advise the board of trustees in writing if, at any time, in his or her opinion, any action or policy under consideration by them is incompatible with the terms of the articles, funding agreement or the AFH.

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 AFH or funding agreement.

4.6. Where the board of trustees 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 AFH, 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. The content therein will be discussed by the board of trustees and action taken 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, Audit & Risk committee (FAR)

- 5.1. The Finance, Audit & Risk committee exercises the powers and duties delegated from the board of trustees in relation to the financial administration of the trust.
- 5.2. The Finance, Audit & Risk committee will meet as regularly as necessary, but at least once a term.
- 5.3. Information regarding the financial performance of the trust will be reviewed by the committee at least three times a year, taking necessary action to ensure ongoing viability.
- 5.4. The FAR committee is responsible for reviewing the trust's financial statements and highlighting any significant issues to the board of trustees, prior to submission to the Secretary of State.
- 5.5. At each meeting of the board of trustees, the FAR committee will report on decisions taken under their delegated powers.
- 5.6. The FAR committee is responsible for reviewing the reports of the CFO regarding the effectiveness of each academy's financial procedures and controls, reporting any findings to the board of trustees.
- 5.7. The committee will report all significant financial matters and any potential overspending to the board of trustees.
- 5.8. The academy's five-year capital plan will be reviewed on an annual basis.
- 5.9. The FAR committee is responsible for ensuring that appropriate insurance arrangements are in place for the academy.
- 5.10. The Finance, Audit & Risk committee will direct the authorisation for goods and services, as necessary, in line with [Appendix A](#).
- 5.11. Ensuring annual pay awards, including executive leaders' performance management, are reviewed on an annual basis by the committee, and recommendations for approval to the board of trustees are made.
- 5.12. The committee will make sure executive leaders will not be involved in setting or reviewing their own remuneration.
- 5.13. Reviewing and approving all gifts received by executive leaders in line with the academy's [Gifts, Hospitality and Anti-Bribery Policy](#).

- 5.14. Ensuring an effective [Trust Pay Policy](#) is developed and implemented.
- 5.15. Ensuring the analysis of pay information to identify and explore any gender pay gaps, challenges to achieving pay equality in the trust and any successes.
- 5.16. Ensuring publication on the trust website information about the gender pay gap within the trust.

6. Delegated powers of the CFO

- 6.1. The CFO is responsible for the management of the academy's financial position at a strategic and operational level within the framework of financial control, as determined by the board of trustees, maintaining effective systems of internal control within the trust.
- 6.2. The CFO is responsible for ensuring that full, accurate and up-to-date records are maintained in relation to the Trust's finances, and that these are available for audit by the external auditor.
- 6.3. The CFO works closely with the headteachers to ensure efficient and effective day-to-day management of the academy's finances, liaising with the FAR committee and board of trustees as appropriate.
- 6.4. The CFO is responsible for ensuring there are appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments.
- 6.5. The CFO is responsible for ensuring that required information and documentation is submitted to the DfE and ESFA in line with the specified deadlines.
- 6.6. The CFO is responsible for ensuring that all income is accurately accounted for and is promptly collected and banked.
- 6.7. The CFO is responsible for the preparation and presentation of the annual budget to the FAR committee prior to the start of the year.
- 6.8. In liaison with the headteacher, the CFO certifies the payment of salaries each month and authorises any necessary overtime.
- 6.9. The CFO is responsible for notifying the payroll provider of any matters affecting payments to employees. These matters are delegated to the Trust's Finance Manager and or School Business Managers.
- 6.10. Working alongside the headteacher, the CFO will assist in preparing an annual draft budget for consideration by the FAR committee, and board of trustees prior to the start of the academic year.
- 6.11.** Management accounts are shared with Trustees on a monthly basis and with other trustees on a bimonthly basis.
- 6.12. If an academy is served a Financial Notice to Improve (FNtI) by the ESFA, the CFO will publish this to the academy's website within 14 days of the FNtI being issued, and it will be kept on site until the ESFA lift the notice.
- 6.13. In conjunction with the CEO and other authorised signatories, the CFO is responsible for signing cheques on behalf of the academy.

6.14. The CFO is responsible for maintaining a record of all contracts entered into by the academy, including details of payments, quotes obtained, and invoices received.

6.15. Where appropriate, the CFO will advise the headteachers and the FAR committee on purchasing decisions.

7. Delegated powers of the Headteacher

7.1. 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.

7.2. Management accounts will be reviewed by the headteacher, with potential over/under spending highlighted to the CFO who will present matters to the FAR committee, and board of trustees.

7.3. The headteacher is responsible for planning, preparing and annually updating a three-year School Improvement Plan in line with the Trust's Strategic Plan.

7.4. The headteacher will ensure that all conflicts of interest concerning staff members with financial responsibility are declared and accurately recorded.

7.5. The headteacher is responsible for ensuring that all academy spending is in accordance with the specified authorisation levels.

7.6. In liaison with the CFO, the headteacher certifies the payment of salaries each month and authorises any necessary overtime.

8. Delegated powers of other Academy Staff (School Business Managers (SBMs) and Budget Holders)

8.1. 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 academy.

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

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

- Budget holders
- Administrators nominated by the budget holder

8.4. Appointed SBMs are responsible for checking and certifying monthly statements of expenditure against the delegated budget, reporting any potential over/under spending to the CFO.

8.5. The Trust's Finance Manager and or SBMs will process any insurance claims and will notify the CFO of any eventuality that could affect the academy's insurance arrangements.

8.6. 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.

9. General financial management

- 9.1. Where the trust's transactions go beyond the specified delegated authority limits, prior approval from the ESFA will be sought.
- 9.2. 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.
- 9.3. All members of the board of trustees 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.
- 9.4. 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 AFH.
- 9.5. All special payments, including staff severance of any value, will be disclosed in total and individually.
- 9.6. All ex-gratia payments will be referred to the ESFA for prior authorisation.
- 9.7. All members, trustees, local governors, employees and their relations, and organisations are responsible for ensuring that their connections to the trust are not used for personal financial gain.
- 9.8. 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.
- 9.9. No payments will be made to trustees unless such payments are permitted by the 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.
- 9.10. In accordance with the specified authorisation levels in [Appendix A](#), prior approval will be obtained for purchases and payments as necessary, including from external parties such as the ESFA and Charity Commission.
- 9.11. All agreements between the trust and an individual or organisation 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.
- 9.12. All agreements between the trust and an individual or organisation 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.

9.13.The DfE's '[Get Information About Schools](#)' (GIAS) will be kept up-to-date and the ESFA will be notified about any changes relating to governance information.

10. Monitoring and review

10.1.This document is reviewed annually by the board of trustees, or sooner if updates to the AFH require changes to be made.

10.2.Any changes to this policy will be communicated to all relevant parties by the CFO.

Appendix A: Authorisation levels

Duty	Value	Delegated authority	Method	Review period
Ordering goods and services within the agreed budget	Up to £1,000	Budget holder	Selection from preferred supplier list, unless otherwise agreed with the CFO.	Monthly
	£1,001 to £10,000	Budget holder with the approval of the Headteacher	Minimum of three quotes required and report to Headteacher.	
	£10,001 to £30,000	Headteacher with the approval of the CEO or CFO	Minimum of three quotes required and report to Finance, Audit & Risk committee.	
	£30,001 to £100,000	Finance, Audit & Risk committee – reporting to the board of trustees.	Formal tendering process, including advertising in the OJEU where necessary.	
	Over £100,000	Board of trustees		
Signatories for cheques, BACS payment authorisations, bank transfers, ESFA grant claims and ESFA returns	Any	CEO, CFO and other approved signatories	Two signatories per transaction are required.	Weekly
Authorising invoices	Up to £1,000	Budget holder		As required
	£1,001 to £10,000	Headteacher		
	£10,001 to £30,000	Headteacher with approval of the CEO or CFO		

Duty	Value	Delegated authority	Method	Review period
	£30,001 to £100,000	Finance, Audit & Risk committee – reporting to the board of trustees.	Formal tendering process, including advertising in the OJEU where necessary.	
	Over £100,000	Board of trustees		
Collecting income	Up to £10,000	Headteacher		
	£10,001 to £100,000	Finance, Audit & Risk committee		
	Over £100,000	Board of trustees		
Banking cash and cheques	Any	CFO/FM/SBM	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 £10,000	CEO/CFO	Original cost, maintaining the principles of regularity, propriety and value for money.	As required
	Over £10,000	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		
Writing-off debts	Up to £10,000	CEO/CFO	Anything above these limits requires approval by the Secretary of State through the ESFA.	Annually
	£10,001 to £44,999	Finance, Audit & Risk committee		
	Below 1% of total annual income or £45,000 (whichever is smaller) per	Board of trustees and the ESFA where applicable		

Duty	Value	Delegated authority	Method	Review period
	single transaction subject to a maximum of £250,000			
Special payments, including staff severance and compensation payments	Up to £49,999	Board of trustees		As required
	£50,000 and above	Board of 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	Board of trustees plus prior ESFA approval		
Bank cards	Up to £2,000	CEO, CFO, Headteacher and designated FM/SBM	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	Board of trustees plus prior ESFA approval		As required
Borrowing	Any	ESFA approval required		As required