



# Scheme of Financial Delegation Ref: F005

## Contents:

1. Introduction
2. Powers and duties reserved by the Education and Skills Funding Agency (ESFA)
3. Powers and duties reserved for the Members
4. Powers and duties reserved for the Trustees
5. Powers and Duties delegated to the Trust Resources Committees
6. Powers and Duties delegated to the Chief Executive Officer (CEO)
7. Powers and Duties delegated to the Finance Director
8. Powers and Duties delegated to the Executive Headteacher (EHT) and Chief Operating Officer (COO)
9. Powers and duties delegated to the Headteacher
10. Powers and duties delegated to the Finance Business Partner (FBP)
11. Powers and duties delegated to the Deputy Headteacher(s)
12. Powers and duties delegated to other staff
13. Quotations and tendering
14. Cheque/BACS Authorisation
15. Approval of capital projects
16. Summary of delegated authority limits

## Document Control

Title	F005 Scheme of Financial Delegation
Date	July 2023
Supersedes	July 2022
Amendments	Amended to take account of changes in the Academy Trust Handbook 2023 in section 2c – Related Parties approval threshold increased from £20,000 to £40,000
Related Policies/Guidance	Academy Trust Handbook Prosper Learning Trust Scheme of Delegation Prosper Learning Trust Financial Procedures Whistleblowing Policy (A05) Risk Management Policy (A08)
Review	1 year
Author	K Connolly reviewed R Lees/A Park
Date consultation completed	N/A
Approval Level:	Trust Board
Date adopted:	1 <sup>st</sup> September 2023
Expires on:	1 <sup>st</sup> September 2024

### Prosper Learning Trust

is a Multi Academy Trust

Registered in England and Wales number 10872612

Registered Office: Firbank Road, Manchester, M23 2YS

The Prosper Learning Trust has a number of Trust-wide policies which are adopted by all schools/academies in the Trust to ensure an equitable and consistent delivery of provision.

The Trust Board has responsibility for the operation of all schools/academies and the outcomes of all students however responsibility is delegated to the Local Governing Body of each school via the Scheme of Delegation.

Within our policies reference to:

- Governing Body / Governors relates to the members of the Local Governing Body representing the Trust Board.
- School includes a reference to school, academy or free school unless otherwise stated.
- Headteacher includes a reference to Headteacher, Principal or Head of School of a school, academy or free school.

## 1. Introduction:

The purpose of this document is to ensure that the Trust maintains and develops systems of financial control which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).

The Trust must also comply with the principles of financial control outlined in the academies guidance published by the Education and Skills Funding Agency (ESFA), specifically the Academy Trust Handbook.

This document should not be read as a replacement to this Handbook; the Handbook should be read in full and in conjunction with this policy which seeks to highlight some key aspects of the Handbook, and to clarify who is responsible for what regarding all financial matters.

In addition, the scheme should be read in conjunction with the following documents:

- Trust Scheme of Delegation
- Financial procedure manual

Delegated limits included within the body of the policy are the maximum limits at each level. Lower limits may be applied at individual schools dependent on their size, experience of the Headteacher and also whether they are supported schools within the Trust (i.e. schools in either financial or academic difficulty). Executive Headteachers have delegated authority to put in place bespoke limits for their schools.

In addition to this, approvers may approve any amount up to and including their delegated limit. For example, an Executive Headteacher may authorise spend for £20,000 even though the Headteacher approval limit is up to £30,000.

If an individual is not able to grant authorisation in person through illness, absence or other reasons then authorisation may be granted by a person at the same authorisation level or at a level above that required in our scheme of delegation. (E.g. If a Headteacher is absent then authorisation may be given by another Headteacher within the Trust or by one of the Executive Headteachers).

In the absence of the Chief Executive Officer then authorisation can be given by an Executive Headteacher or the Chief Operating Officer as long as permission is obtained from the Chair of the Trust Board / Vice Chair (if unavailable).

Where the policy refers to order requisition approval, no further additional approval for the final invoice is required as long as the invoice is processed in line with the Trust's financial procedures. For example, where there is an approved SLA and order for music provision, confirmation that services have been received by the appropriate staff member is sufficient for payment processing regardless of their budgetary delegation.

## 2. Powers and duties reserved by the Education and Skills Funding Agency:

The Trust is provided with guidance in the Academy Trust Handbook regarding what transactions require prior approval by the Secretary of State. This approval is sought via the ESFA. The relevant parts of the Academy Trust Handbook are summarised below.

### a. **Novel contentious and repercussive transactions**

These must always be referred to the ESFA for explicit prior approval. The ESFA may also need to refer such transactions to HM Treasury for approval and so trusts should allow sufficient time for proposals to be considered.

- Novel payments are those in which the School has no experience, or are outside the normal range of business activity for the School.
- Contentious payments are those which might give rise to criticism of the Trust by Parliament, and/or the public, and/or the media.

- Repercussive transactions are those which are likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

#### **b. Borrowing**

In line with funding agreements, academy trusts must seek ESFA's prior approval for borrowing (including finance leases and overdraft facilities) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, and regardless of the interest rate chargeable. Credit cards must only be used for business (not personal) expenditure, and balances cleared before interest accrues.

#### **c. Related Party Transactions**

Trusts must report all contracts and other agreements with related parties to ESFA in advance of the contract or agreement commencing, using ESFA's related party on-line form. This requirement applies to all such contracts and agreements made on or after 1 April 2019. Trusts must obtain ESFA's prior approval, using ESFA's related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party agreed on or after 1 April 2019 where any of the following limits arise:

- a contract or other agreement exceeding £40,000
- a contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £40,000 in the same financial year ending 31 August.

For the purposes of reporting to, and approval by, ESFA contracts and agreements with related parties do not include salaries and other payments made by the trust to a person under a contract of employment through the trust's payroll.

#### **d. Gifts**

The Trust should have a policy and register on the acceptance of gifts, hospitality, awards, prizes or any other benefit which might be seen to compromise their personal judgement or integrity; and should ensure that all members of staff are made aware of this. When giving gifts, the trust must ensure that the value of the gift is reasonable, is within the trust's scheme of delegation of financial powers, the decision is fully document, and has due regard to propriety and regularity in the use of public funds.

#### **e. Write-offs and entering into liabilities**

The Trust must obtain ESFA's prior approval for the following transactions beyond the delegated limits of the two categories set out below:

- Writing off debts and losses
- Entering into guarantees, letters of comfort or indemnities

The delegated limits, subject to a maximum of £250,000, are:

- 1% of total annual income or £45,000 (whichever is the smaller) per single transaction
- Cumulatively, 2.5% of total annual income in any one financial year per category of transaction for any academy trusts that have not submitted timely, unqualified financial returns for the previous two financial years. This category will include the trust during its first 2 years of operation until it has had the opportunity to produce two years of financial statements.
- Cumulatively, 5% of total annual income in any one financial year per category of transaction for any School that has submitted timely, unqualified financial returns for the previous two financial years.

#### **f. Special Payments**

Special payments are transactions that fall outside academy trusts' planned range of activities. They are non-statutory or non-contractual and so are subject to greater control than other payments. Each type is taken in turn below.

- Staff severance payments  
These are paid to employees outside of normal statutory or contractual requirements when leaving employment in

public service whether they resign, are dismissed or teach an agreed termination of contract.

The Academy Trust Handbook references a number of criteria to be considered in awarding such payments which should be given full consideration.

Academy trusts have delegated authority to approve individual staff severance payments provided any non-statutory/non-contractual element is under £50,000 gross (i.e. before income tax or other deductions). Where the trust is considering a non-statutory/non-contractual payment of £50,000 or more, ESFA's prior approval must be obtained before the trust makes any binding settlement offer to staff.

- Compensation payments

These are paid to provide redress for loss or injury, for example: personal injuries, traffic accidents, or damage to property.

Academy trusts have delegated authority to approve individual compensation payments provided any non-statutory/non-contractual element is under £50,000. Where the trust is considering a non-statutory/non-contractual payment of £50,000 or more, ESFA's prior approval must be obtained.

- Ex gratia payments

These payments are another type of transaction that go beyond statutory or contractual cover, or administrative rules. Annex 4.13 of HM Treasury's Managing Public Money provides examples, which include payments to meet hardship caused by official failure or delay, and payments to avoid legal action on the ground of official inadequacy.

- Ex gratia payments must always be referred to the ESFA for prior authorisation.

#### **g. Acquisition and disposal of fixed assets**

The School must seek and obtain explicit and prior approval from the ESFA, for the following transactions:

- Acquiring a freehold of land or buildings
- Disposing of a freehold of land or buildings
- Disposing or heritage assets beyond any limits set out in the trust's funding agreement in respect of the disposal of assets generally.

Other than land, buildings and heritage assets, trusts can dispose of any other fixed asset without ESFA's prior approval. Trusts must ensure that any disposal achieves the best price that can reasonably be obtained, and maintains the principles of regularity, propriety and value for money. This can involve public sale where assets have a residual value.

#### **h. Leasing**

There are two types of lease:

- Operating leases: these do not represent borrowing
- Finance leases: these are a form of borrowing

Trusts do not require ESFA approval for operating leases except for some transactions relating to land or buildings.

Trusts must obtain ESFA's prior approval for the following leasing transactions:

- Taking up a finance lease on any class of asset for any duration from another party (borrowing)
- Taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years
- Granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party

### **3. Powers and duties reserved for the Members:**

The Members retain the authority to appoint external auditors.

#### **4. Powers and duties reserved for the Trustees:**

The Trust Board (TB) has delegated responsibility for the administration of the Trust's finances. The main responsibilities of the TB are prescribed in the Funding Agreement between the School and the DFE. The full responsibilities are documented in the written terms of reference which have been authorised by the board. The Trust Board may decide to delegate some of its responsibilities to the Trust Resources committee (TRC) and/or the Risk and Audit Committee (RAC), if formed. For the purpose of this policy, all responsibilities at either Trust Committee level or Trust Board level are expressed as Trust Board. Regarding financial controls, the Trust Board shall be responsible for:

##### **a. General**

- Any formal submissions to the ESFA should be approved by the Trust Board / Trust Resources Committee.
- Approving all financial policies relating to systems of financial control.
- Approving insurance arrangements for the Trust.

##### **b. Scheme of Delegation**

Approving a written scheme of delegation of its financial powers and duties to the Trust Resources Committee, the Local Governing Bodies, the Chief Executive Officer, Executive Headteacher, Chief Operating Officer, Finance Director, Headteacher, the Finance Business Partner and other staff. The scheme must satisfy the Trust's ultimate responsibility for ensuring that there are adequate operational controls in place for all the financial processes within the Trust and that value for money and probity is maintained. It should be noted that the Scheme of Delegation complements the Trust's Financial Procedures and should be operated in conjunction with this document. The Scheme of Delegation should be reviewed and approved on a regular basis (at least annually) in respect of its content and effectiveness in operation, and against any weaknesses exposed either in the external or internal audit reports. The approval should be formally minuted through the TB/TRC on behalf of the trustees.

##### **c. Audit**

Receiving and considering the full Audit Findings Report for the Trust issued by the Trust's external audit provider, which should be presented to the Trust Board for approval and acceptance within three months of the financial year end.

Liaising with the external audit provider, if the auditor suspects any irregularity affecting resources of the Trust.

Formally agreeing the internal audit provision and programme of works for the Trust, following recommendation made by the RAC.

Review reports provided by both internal and external audit provision and ensure actions and recommendations are met by management.

Keeping the Department for Education (DfE) informed of any suspicions relating to resource irregularity identified through either internal or external audit processes.

##### **d. Budgets/Budgetary Control**

Receiving and considering a full report of the Trust's accounts and financial position as at 31<sup>st</sup> August each year for approval and sign off within three months of the financial year-end.

Formally approving (and minuting the approval of) the Trust's 3-year budget plan annually, by the start of the new financial year.

Receiving and considering minutes of budgetary control reports from every meeting of the Trust Resources Committee with relevant explanations and supporting documentation where required.

Approving the virement between (and within) budget headings within any year, where such virement has a value of more than £250,000 per annum.

Approving an increase or decrease in the net budget for the year over £250,000 per annum.

Approving the write off of any bad debts greater than £5,000 and up to the limits which require approval by the ESFA (see section 2).

#### **e. Contracts and Major Purchases**

Authorising any purchases over £250,000, including those over the Find a Tender limit.

Maintaining a Register of Business Interests (to include details of any controlling share holdings and/or substantial financial interests in organisations whose supplies or services could conceivably be linked to the School or whose supplies or services could conceivably be linked to the School in the future), for all Members, Trustees, Governors, Senior staff, Headteacher, Finance Business Partner and any other key staff with a role in selecting contractors or suppliers for major purchases. This will be used to ensure there are no conflicts of interest in awarding major works or that any such interest is declared in advance so that the individual can be removed from any decision taking on the award of such a contract or major purchasing decision.

#### **f. Staff severance payments and compensation payments**

Non-statutory payments between £10,000 and £50,000 must be approved by the Trust Board. As noted above, where the Trust is considering making a special staff severance payment or compensation payment above the contractual entitlement of £50,000 or more, prior approval will need to be sought from HM Treasury, via the ESFA, before any such payment can be made.

As per the Academy Trust Handbook, in considering making a staff severance payment above the contractual entitlement, the Trust Board will consider the following:

- Whether such a payment is justified, based on a legal assessment of the chances of the School successfully defending the case at tribunal. If the legal assessment suggests a better than even chance of winning, there is no rationale for settling the case. But where the case will be lost, there is a justifiable rationale for the settlement.
- If the settlement is justified, the School will then consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g. an Employment Tribunal) is likely to award under the circumstances.

Special severance payments should not be made where they could be seen as a reward for failure, such as dismissal for gross misconduct or poor performance. The only acceptable rationale in the former case would be where the claimant will win an Employment Tribunal claim because of employment law procedural errors. In the latter, an acceptable comparison would be the time and cost of taking someone through performance management and improvement procedures.

If the Trust is considering making a compensation payment, it must consider whether the proposed payment is based on a careful appraisal of the facts, including legal advice and that value for money will be achieved. It is also good practice to consider routinely whether particular cases reveal concerns about the soundness of the control systems; and whether they have been respected as expected. It is also important to take any necessary steps to put failings right.

### **5. Powers and Duties delegated to the Trust Resources Committee:**

The Trust Resources Committee meets at least once a term but more frequent meetings can be arranged if necessary.

The Trust Resources Committee shall be responsible to the Trust Board for:

#### **a. General**

Exercising the powers and duties of the Trust Board in respect of the financial administration of the Trust and the schools

within it, other than for those items specifically reserved for the Trust Board. Also for overseeing those responsibilities delegated to the Executive Headteacher, Chief Operating Officer, Finance Director, Headteacher and those delegated to other staff including the Finance Business Partners.

Holding a meeting at least once per term (three times a year) at which matters of finance and related items are discussed. Actions are agreed under delegated powers and key points reflected in the minutes of that meeting. Copies of these minutes are made available to all trustees.

Providing guidance to the Local Governing Body, the Trust Board and other sub-committees regarding financial matters. Noting any recommendations made following ESFA operated Financial Management Reviews of any school within the Trust as a custodian of public funds and agreeing an action plan for any necessary improvements.

Approving the disposal of assets of a current net book value of greater than £5,001.

#### **b. Budgets/Budgetary Control**

Agreeing a draft of the annual budget plan on behalf of the Trust Board (and for subsequent approval by them), with indicative budgetary figures for the following two years.

Considering budgetary control reports on the financial position at every meeting, taking appropriate action to contain expenditure within the budget and monitoring achievement of value for money, and outturn costs versus budgeted costs, for major expenditure.

Approving the virement between (and within) budget headings within any year, where such virement has a value of less than £75,001 and £250,000 per annum.

Approving an increase or decrease in the net budget for the year between £75,001 and £250,000 per annum.

Approving the write off of any bad debts between £1,000 and £5,000 cumulatively in a financial year.

#### **c. Contracts and Major Purchases**

Authorising purchases between £75,001 and up to £250,000.

#### **d. Assets**

Disposal of assets over £5,001 in current net book value (note restrictions held by ESFA).

#### **e. Write offs**

Approving the write off of any bad debts from £1,001 up to £5,000.

### **6. Powers and Duties delegated to the Chief Executive Officer:**

The CEO, operating as the Accounting Officer, has ultimate responsibility for the overall effective financial management of the Trust, however they have limited specific financial delegated authority as the majority sits at either Trust Board, Headteacher or Trust Resource Committee level. They are however able to fulfil all delegated authority responsibilities at Executive Headteacher and/or Headteacher level in case of absence/urgency.

#### **a. Budgetary control**

Reviewing the monthly Trust Management Accounts produced by Finance Director, where actual or potential overspending or poor value for money is indicated, taking the appropriate action via the FD and Finance Business Partners to remedy the situation and for reporting this to the Trust Board as necessary.

Management of the central MAT costs, including approving an increase or decrease in the net budget for the year



for values between £30,001 and £75,000 per annum, plus approving the virement between (and within) budget headings within any year, where such virement has a value between £30,001 and £75,000 per annum. This includes authorisation of permanent changes to the staffing structure / headcount.

#### **b. Contracts and Purchasing**

Authorising expenditure between £30,001 and £75,000 in value in relation to the central MAT costs or for central costs that will be attributed across schools within the trust.

Signing contracts on behalf of the trust that are pertinent to the trust as a whole and that have received the appropriate approval via the delegation of authority.

Acting as a signatory/authoriser for the bank for both cheques and BACS payments for any school within the trust and for MAT central costs.

#### **c. Staff Severance / Compensation**

Approval up to £10,000 for non-statutory payments – noting approach and restrictions above.

#### **d. Assets**

Disposal of assets up to £5,000 current net book value.

#### **e. Personnel**

Approving new staff appointments (other than direct reports, whose appointments shall be subject to the authorisation of the Chair of the Trust Board), within the authorised establishment.

### **7. Powers and Duties delegated to the Finance Director (FD):**

The FD supports the CEO/Accounting Officer and Chief Operating Officer (COO) in all aspects of financial management across the Trust. They also provide support to all schools within the Trust and are able to fulfil all delegated authority responsibilities at Finance Business Partner level in case of absence/urgency.

#### **a. Budgetary control**

Reviewing the monthly Management Accounts produced by the Finance Business Partners and preparing the consolidated management accounts, identifying where actual or potential overspending or poor value for money is indicated and taking the appropriate action jointly with the Finance Business Partners to remedy the situation and reporting this to the COO, CEO, Resources Committee and Trust Board as necessary.

Management of the central MAT costs, including approving an increase or decrease in the net budget for the year for values between £10,001 and £30,000 per annum, plus approving the virement between (and within) budget headings within any year, where such virement has a value between £10,001 and £30,000 per annum.

Approving the write off of any bad debts up to £1,000 cumulatively in a financial year with reporting to the Trust Board.

**b. Contracts and Purchasing**

Authorising expenditure up to £30,000 in value in relation to the central MAT costs.

Signing contracts on behalf of the Trust that are pertinent to the Trust as a whole and that have received the appropriate approval via the delegation of authority.

Acting as a signatory/authoriser for the bank for both cheques and BACS payments for any school within the Trust and MAT Central Costs. Approving training provider contracts and expenditure from the apprenticeship levy.

**c. Financial Management**

The day to day management of financial issues including efficient operation of the accounting system in line with Trust procedures.

The management of the Trust financial position at a strategic and operational level within the framework for financial control determined by the board.

The maintenance of effective systems of internal control at a Trust level.

Ensuring that the annual accounts are properly presented and adequately supported by the underlying financial records of the Trust.

Ensuring all forms and returns are sent to the EFSA in line with all published deadlines.

**d. Insurances**

Ensuring the placing of and the timely payment for adequate insurance arrangements and the seeking of best value in such provision along with identifying and costing new areas of risk cover. Also for notifying the RAC on any eventuality that could affect the insurance arrangements in place at the trust.

**e. Assets**

Disposal of assets up to £2,500 of current net book value.

Ensuring that proper security is maintained at all times for all buildings, furniture, equipment, vehicles, stocks, stores, cash, information and records etc. under his/her control.

**8. Powers and Duties delegated to the Executive Headteacher (EHT) and Chief Operating Officer (COO):**

The Executive Headteacher is responsible for oversight at a School and Trust Level, however they have limited specific financial delegated authority as the majority sits at either Trust Board, Headteacher or Trust Resource Committee level. They are able to fulfil all delegated authority responsibilities at Headteacher level in case of absence/urgency.

The COO is responsible for oversight at a Trust Level, and is able to fulfil all delegated authority responsibilities at Finance Director level in case of absence/urgency.

**a. Budgetary control**

Reviewing the monthly Management Accounts produced by the Finance Business Partners and consolidated accounts produced by the FD, where actual or potential overspending or poor value for money is indicated and taking the appropriate

action jointly with the CEO, FD, local Headteacher and/or Finance Business Partner to remedy the situation and for reporting this to the Trust Resources Committee and Trust Board.

Approving the virement between (and within) budget headings within any year for any schools they are responsible for, or the MAT for the COO, where such virement has a value between £30,001 and £75,000 per annum.

Approving an increase or decrease in the net budget for the year, in schools they are responsible for, or the MAT budget for the COO, up to a maximum of £75,000 per annum. This includes authorisation of permanent changes to the staffing structure / headcount.

#### **b. Contracts and Purchasing**

Authorising expenditure of between £30,001 and £75,000 in value.

Signing contracts together with the FD on behalf of the Trust that have received the appropriate approval via the delegation of authority.

Acting as a signatory/authoriser for the bank for both cheques and BACS payments for transactions related to any school's within the Trust, and MAT central costs.

#### **c. Assets**

Disposal of assets up to £5,000 current net book value.

#### **d. Personnel**

Approving new staff appointments (other than direct reports, whose appointments shall be subject to the authorisation of the Chair of the Trust Board) within the authorised establishment.

### **9. Powers and Duties delegated to the Headteacher:**

The Headteacher will retain overall responsibility for the authorities outlined below, however, they will be supported in their management of the school financial position by the Finance Business Partner.

#### **a. Budgetary control**

Reviewing the monthly Management Accounts produced by the Finance Business Partner where actual or potential overspending or poor value for money is indicated and taking the appropriate action jointly with Finance Business Partner to remedy the situation and for reporting this to the Resources Committee.

Approving the virement between (and within) budget headings within any year, where such virement has a value of less than £30,000 per annum.

Approving an increase or decrease in the net budget for the year up to a maximum of £30,000 per annum. Where this change involves a permanent change to the staffing structure / headcount this must be approved by an Executive Headteacher or above. Where schools are in a deficit or changes would move the school into a deficit this would also need to be approved at Executive Head level or above.

In the case of additional funding, the Headteacher may increase income and expenditure estimates to match the funding available.

#### **b. Contracts and Purchasing**

Authorising expenditure of between £10,001 and £30,000 in value.

Signing contracts on behalf of the trust that are pertinent to the school only and that have received the appropriate approval via the delegation of authority.

Acting as a signatory/authoriser for the bank for both cheques and BACS payments for school related transactions only.

**c. Assets**

Disposal of assets up to £5,000 current net book value.

Ensuring that proper security is maintained at all times for all buildings, furniture, equipment, vehicles, stocks, stores, cash, information and records etc. under his/her control.

**d. Personnel**

Approving all new staff appointments (other than direct reports, whose appointments shall be subject to the authorisation of the Chair of the Local Governing Body), within the authorised establishment.

**10. Powers and Duties delegated to the Finance Business Partner:**

The Finance Business Partner works in close collaboration with the Headteacher. The main responsibilities of the Finance Business Partners are:

**a. Banking Arrangements**

Maintaining proper records of account, reviewing monthly bank reconciliations and ensuring there is an adequate segregation of duties.

**b. Audit**

Ensuring that all records and documents are available for audit by the appointed external auditors, and liaising with the external auditors throughout the year to ensure a smooth and efficient audit process.

**c. Budgets/Budgetary Control**

Production of monthly management accounts including full variance analysis.

Preparing an annual draft budget plan for consideration by the LGB and Resources Committee before the start of the relevant financial year.

Consulting on and implementing virements with the Headteacher's approval between and within budget headings up to a value of £30,000.

**d. Contracts and Purchasing**

Authorising expenditure of up to £10,000 in value.

Signing contracts on behalf of the Trust that are pertinent to the school only and that have received the appropriate approval via the delegation of authority.

Acting as a signatory/authoriser for the bank for both cheques and BACS payments for school related transactions only.

Ensuring that all contracts, contractual agreements and major purchases conform with the Financial Procedures Manual and Scheme of Financial Delegation and where relevant, as stated within contract law.

Maintaining a register of formal contracts entered into, amounts paid and certificates of completion.

Receipt and custody of all school related tenders.

Retention of quotes obtained for goods, works and services.

#### **e. Financial Management**

The day to day management of financial issues including efficient operation of the accounting system in line with Trust procedures.

The management of the School financial position at a strategic and operational level within the framework for financial control determined by the board.

The maintenance of effective systems of internal control.

#### **f. Payments**

Ensuring that all invoices are correct and duly certified (in terms of receipt, cost and being in line with the original requisition), 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.

#### **g. Income**

Ensuring that all income is accurately accounted for and is promptly collected and banked in line with the Financial Procedures Manual.

#### **h. Salaries, Wages and Pensions**

Authorisation of the monthly payroll adjustment schedule affecting payments to employees.

#### **i. Assets**

Disposal of assets up to £500 current net book value.

Maintaining a permanent and continuous register of all capitalised items of furniture, equipment, vehicles and plant.

### **11. Powers and Duties delegated to the Deputy Headteacher(s):**

The Deputy Headteacher(s) work closely with both the Headteacher and the Finance Business Partners to support the efficient operation of the financial procedures. The main responsibilities of the Deputy Headteacher(s) are:

#### **a. Contracts and Purchasing**

Authorising orders below £10,000 in conjunction with the budget holder.

Signing cheques / authorising BACS payments in conjunction with the Headteacher or other authorised signatory.

### **12. Powers and Duties delegated to Other Staff:**

Other members of staff, primarily the finance team and budget holders, will have some financial responsibilities and these are detailed in the financial procedures manual.

All staff are responsible for the security of School property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's financial procedures.

#### **a. Contracts and Purchasing**

Designated Budget holders may authorise orders up to the value of £10,000.

### **13. Quotations and Tendering:**

In addition to the authorisation limits included above, the following purchasing rules should be noted:

<b>Purchases £3,000 and over</b>	A minimum of 3 written quotations to be sought and retained with the order as evidence of best value.
<b>Purchases £50,000 and over</b>	Formal procurement process to apply, including competitive tendering.
<b>Purchase over defined thresholds</b>	Adherence to UK procurement law.

Should a purchasing decision be made that is not the cheapest quote this will require additional approval by the Senior Finance Business Partner via a 'Best Value' form. Should such a purchase be of a value that requires committee/board level approval, it should be clearly minuted as to why the cheapest quote has not been chosen.

The Board notes that for some purchases there are in practice no alternative suppliers available. In addition, some purchases are made on a regular basis and the practice of obtaining at least 3 quotes for each purchase is time consuming and would not represent best value. Where this is the case, a Best Value form must be completed.

The board has therefore delegated responsibility to the Resources Committees to maintain an Approved Suppliers list which can be referenced for the purchase of such items, thereby negating the need to obtain a number of quotes. The Resources Committee will agree what items can be purchases using the Approved Suppliers list and will ensure that the list is reviewed regularly, at minimum annually, to ensure the selected suppliers remain competitive and appropriate.

### **14. Cheques / BACS Authorisation:**

In addition to the authorisation limits included above, it should be noted that all cheque / BACS payments must be signed / approved by 2 authorisers.

### **15. Approval of capital projects**

Capital projects must be approved prior to being committed to in line with the Scheme of Financial Delegation based on the estimated overall project cost at the outset. At the point of approval, an order can be raised for the project and invoices offset against this order without the need for further approval.

Given that estimates are involved in capital project planning; the Trust will monitor spend against budget closely. If at any point it is expected that project costs will exceed the approved limit by more than 2%, the project must be taken back for re-approval at the appropriate level in line with the limits set out in this policy.

## 16. Summary of Delegated Authority Limits

Delegated Duty	Value	Delegated authority	Reporting
Novel contentious and repercussive transactions	Any	ESFA	
Borrowing	Any	ESFA	
Write offs	<ul style="list-style-type: none"> <li>• 1% of total annual income or £45,000 (whichever is the smaller) per single transaction</li> <li>• Cumulatively, 2.5% of total annual income in any one financial year per category of transaction</li> <li>• Cumulatively, 5% of total annual income in any one financial year per category of transaction</li> </ul>	ESFA	
	£5,000 – up to ESFA values	Trust Board	
	Up to £5,000 cumulatively	Trust Resources Committee	
	Up to £1,000 cumulatively	Finance Director	Trust Resources Committee
Staff Severance & Compensation Payments	Non-contractual element £50,000 or above	ESFA	
	Non-contractual element £10,000 - £50,000	Trust Board	
	Non-contractual element Up to £10,000	CEO	Trust Resources and Trust Board
Ex-gratia Payments	Any	ESFA	
Acquisition and disposal of fixed assets – acquiring/disposing of freehold land and buildings or heritage assets	Any	ESFA	
Leasing: <ul style="list-style-type: none"> <li>• Taking up a finance lease on any class of asset for any duration from another party</li> <li>• Taking up a leasehold or tenancy agreement on land or buildings from another party for a term of seven or more years</li> <li>• Granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party</li> </ul>	Any	ESFA	

Delegated Duty	Value	Delegated authority	Reporting
Virement between budget lines	Up to £30,000	Headteacher or FD for MAT budget	Reported to next Resources Committee
	£30,001 - £75,000	Executive Headteacher / COO / CEO	Reported to next Resources Committee
	£75,001 - £250,000	Resources Committee	Reported to next Trust Board
	Over £250,000	Trust Board	
Increase or decrease in the net budget ( <i>where schools are in a deficit or changes would move school into deficit this would need to be approved at Executive Head level or above</i> )	Up to £30,000 (Not including permanent change to staffing structure / headcount)	Headteacher or FD for MAT budget	Reported to next Resources Committee
	£30,001 - £75,000	Executive Headteacher / CEO	Reported to next Resources Committee
	£75,001 - £250,000	Resources Committee	Reported to next Trust Board
	Over £250,000	Trust Board	
Amendment of budgets in the case of additional funding	Unlimited to match the funding available	Headteacher / EHT / COO / CEO	Reported to next Resources Committee
Cheque / BACS payment authorisation	All payment values	2 signatories	
Order requisitions / invoice approval	Up to £10,000	Budget holder, Deputy Head, Finance Business Partner.	
	£10,001 - £30,000	Headteacher	
	£30,001 - £75,000	Executive Headteacher / COO / CEO	
	£75,001 - £250,000	Resources Committee	
	Over £250,000	Trust Board	
Order requisitions / invoice approval related to MAT Central costs	Up to £30,000	Finance Director	
	£30,001 - £75,000	Executive Headteacher / COO / CEO	
	£75,001 - £250,000	Resources Committee	
	Over £250,000	Trust Board	
Trust wide contracts - approval	Any value providing it has gone through necessary approval outlined above	CEO, EHT, COO or FD	
School only contracts – approval	Below £30,000 in total value <b>and</b> for 3 years or less	Headteacher, Finance Business Partner	Local Governing Board



	£30,000 - £75,000 in total value <b>and</b> for 3 years or less.	Executive Headteacher CEO	Local Governing Board
Quotations and tendering	£2,000 to £50,000	A minimum of 3 written quotes	
	Over £50,000	Formal procurement	
	Over procurement regulation threshold	Adherence to UK procurement law	
<b>Delegated Duty</b>	<b>Value</b>	<b>Delegated authority</b>	<b>Reporting</b>
Disposal of assets	Up to £500 current net book value	Finance Business Partner	
	£501 - £2,500 current net book value	Finance Director	
	£501 - £5,000	Headteacher / EHT / CEO / COO	
	Over £5,000 current net book value	Trust Resources Committee	

If an individual is not able to grant authorisation in person through illness, absence or other reasons then authorisation may be granted by a person at the same authorisation level or at a level above that required in our scheme of delegation. *(E.g. If a Headteacher is absent then authorisation may be given by another Headteacher within the Trust or by one of the Executive Headteachers.)*

In the absence of the Chief Executive Officer then authorisation can be given by an Executive Headteacher or the Chief Operating Officer as long as permission is obtained from the Chair of the Trust Board / Vice Chair (if unavailable).'