



# EFAT Scheme of Financial Delegation and Authorities

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# EFAT Scheme of Financial Delegation and Authorities

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## Policy Cover Note

Title of the Policy	Scheme of Financial Delegation and Authorities
Summary/Reason for bringing to Bord for Approval	Annual review
Statutory Requirement	Yes/ <del>No</del>
Decisions to be made / recommendation on options	No amendments
Name of the author	A Sahi
Date written	12/09/2019
Date for Review	21/11/2019
Policy/Procedure to be published on the trust website	Yes/ <del>No</del>
Policy/procedure to be published on the Academy/Primary website	Yes/ <del>No</del>
Amendments/Updates	No amendments

## Introduction

The leadership and management of the Trust is shared between the Board of Directors (The Board), Local Governing Bodies (LGBs), the Chief Executive Officer (CEO) and Principals. Each group of individuals has designated roles and responsibilities - these roles and responsibilities constitute the Scheme of Delegation.

The Scheme of Delegation for the Trust is set out in the following documents that can be found in the ***Governance Handbook for Directors***:

- The Terms of Reference of the Board and its Committees
- The Terms of Reference of the LGB
- Actions Delegated to the CEO
- Actions Delegated to Principals

These documents include the delegation of financial responsibilities in broad terms. This Scheme of Financial Delegation and Authorities provides more detail on the financial powers, limits, and responsibilities retained by the Board and those delegated to individuals and groups within the Trust. It is laid out in tabular format for ease of reference.

Directors, governors, the Chief Executive Officer (CEO)/ Accounting Officer, Finance Director /Chief Financial Officer, Principals, finance staff and budget holders should be familiar with, and must comply with, all aspects of the Trust's overall Scheme of Delegation and this written Scheme of Financial Delegation and Authorities.

## Roles and Responsibilities of Staff for Financial Matters

**The Chief Executive Officer (CEO)** is directly responsible to the Board for ensuring regularity, propriety, and value for money across the Trust. The CEO is the Trust's Accounting Officer.

**The Finance Director (FD)** is the Trust's Chief Financial Officer and is responsible for carrying out all financial planning and management roles across the trust, and for advising the Board, the MTD, and LGBs on all financial matters.

**The Principal** is responsible to the Board and the LGB for financial matters within his or her academy, ensuring proper financial management and control, including effective budget management and procurement.

The role of **Finance Staff** is to assist the FD in financial planning and management, assist in maintaining a proper system of financial control and maintaining the Trusts financial systems, including order processing, invoice payment, cash management, sales order processing and invoicing, credit control and fixed asset accounting.

The role of **budget holders** is to properly manage their budgets with assistance from Finance Staff including ensuring that procurements follow the procurement policy and that expenditure achieves value for money and addresses resource need.

The Trust is required, by the ESFA, to have and to publish on its website, this written Scheme of Financial Delegation and Authorities.

Delegation and financial authorisation	ESFA	Members	Board	LGB	Audit and Risk Committee	CEO	Headteachers	CFO	Budget holders	Notes
<b>Governance</b>										
Develop the trust's Scheme of Delegation and Financial Authorities and keep under review.			*							CEO/FD develops. ARC reviews
Implement Scheme of Delegation and Financial Authorities										CEO/ FD oversee. LGBs and Principals responsible for ensuring implementation.
Advise the Trust Board of Directors/ Trustees of any concerns about the running of the academy school that cannot be resolved by the LGB and of any suspicions of fraud and irregularity										LGB Chair reports concerns to CEO or direct to Board Chair as appropriate. Chairs action or CEO considers and recommends for action by Chair/ Board as appropriate. ARC to oversee any fraud investigation
Ensure no director/ trustee, governor, employee or related party gains from their position by receiving payments under preferential terms: ensure no payments are made to any Director/ trustee or governor unless permitted under the Trust's articles or agreed by Sec of State.										CEO/FD oversees in line with procurement policy and procedures. ARC reviews
Ensure any services provided by the sponsor or sponsor related bodies are properly procured and represent value for money.										CEO/FD assures compliance. ARC reviews

Delegation and financial authorisation	ESFA	Members	Board	LGB	Audit and Risk Committee	CEO	Headteachers	CFO	Budget holders	Notes
<b>Banking</b>										
Appointment of bankers			*							FD advises the Board following procurement
Opening or closing bank accounts and charge card accounts			*							FD advises the Board
Bank signatories			*							Two from an approved list of signatories to be determined by the Board
Charge Card Holders			*							FD advises the Board
Cheque payments and electronic transfers: <ul style="list-style-type: none"> <li>Under £10k</li> <li>Over £10k</li> </ul>										Two from CEO, FD, Principal Two from Board Director, CEO
Signatories for BACS payment authorisations: <ul style="list-style-type: none"> <li>Under £10k</li> <li>Over £10k</li> </ul>										Two from CEO, FD, Principal Two from Board Director, CEO FD confirms BACS payments are only those that have been authorised and then authorises the actual BACS transfer online.
<b>Financial planning and budgeting</b>										
Develop and review a 3 year financial plan			*							CEO/FD consults with Principals and advises. Board approves. CEO/FD implement.

Delegation and financial authorisation	Members	Board	LGB	Audit and Risk Committee	CEO	Headteachers	CFO	Budget holders	Notes
Determine a balanced annual budget for the Trust as a whole and for academies and Trust Support Services		*							CEO/FD consults with Principals and proposes. Board approves.
LGB appeals procedure re pooling academies' GAG funding and reallocating funding between academies		*							LGBs to make representation to Board in line with the appeals procedure
Approve transfers between budget headings within agreed limits: <ul style="list-style-type: none"> <li>Up to £30k</li> <li>Over £30k</li> </ul> Trust Support Services - up to £30k Trust Support Services - over £30k		*			*	*			
Virements exceeding £30k in total in one term									To be reported to the Board
Make applications for external funding for projects: <ul style="list-style-type: none"> <li>Up to £10k</li> <li>Over £10k</li> </ul>		*			*				Board approves applications involving amounts over £10k, matched funding or budgetary commitments. CEO to approve otherwise
Submit applications for capital programme / building maintenance funding to DfE/EFA		*							CEO/ Buildings Manager/ Principal. Board approves. CEO submits.
Determine the Trust's investments policy		*							CEO/FD/ external advisers advise. Board approves. CEO/FD implement and report to Board.

Delegation and financial authorisation	Members	Board	LGB	Audit and Risk Committee	CEO	Headteachers	CFO	Budget holders	Notes
<b>Financial management and accounting</b>									
Maintain accurate, reconciled and up to date financial information									FD oversees. ARC reviews
Ensure that the Trust's systems of financial control are implemented and enforced									FD oversees. ARC reviews
Monitor and report on Trust and individual academy school budget position									FD reports to each LGB and Board meeting
Preparation of monthly management accounts and monitoring actual expenditure against budget									FD reports to CEO and Principals who monitor variances against budget
Ensure financial records are kept for 6 years after the end of the financial year									FD oversees retention of records
Comply with any Financial Notice to Improve									CEO/FD/ LGBs are responsible for ensuring compliance. Board reviews progress against Notice to Improve
Preparation and approval of statutory reports in a timely manner: <ul style="list-style-type: none"> <li>• Land and building return (November)</li> <li>• Annual audited accounts (December)</li> <li>• Internal scrutiny report (December)</li> <li>• AAR (January)</li> <li>• Budget Forecast Return Outturn (May)</li> <li>• Budget Forecast Return (July)</li> <li>• Facilities Time Regulations (July)</li> </ul>		* * * * *			* * * * *		*		FD oversees the preparation and CEO/Board approve



Delegation and financial authorisation	Members	Board	LGB	Audit and Risk Committee	CEO	Headteachers	CFO	Budget holders	Notes
<b>Assets</b>									
Maintain an up-to-date register of assets									FD oversees. ARC review on periodic basis
Authorise/ seek authority for the disposal of unusable or obsolete items: <ul style="list-style-type: none"> <li>Up to £10k</li> <li>Over £10k</li> </ul>		*				*			Up to £10k - Principal approval. Over £10k - Board
Authorise all leases, tenancies, and freehold acquisitions, and loans in line with the Academies Financial Handbook.		*							CEO advises and Board approves
<b>Investments</b>									
Investment policy		*							To be reviewed on a regular basis
<b>Insurance</b>									
Procure insurance cover and keep under review		*							CEO/FD advise Board and procure
<b>Income</b>									
Application for grants less than £10k with no matched funding requirement or significant / contentious grant conditions					*				FD Advises
Application for grants over £10k or with matched funding requirements or significant/ contentious grant conditions		*							CEO/ FD advises
Application for capital grants		*							

<b>Delegation and financial authorisation</b>	<b>Members</b>	<b>Board</b>	<b>LGB</b>	<b>Audit and Risk Committee</b>	<b>CEO</b>	<b>Headteachers</b>	<b>CFO</b>	<b>Budget holders</b>	<b>Notes</b>
Seek approval for writing off debts and losses and entering into guarantees, indemnities, and letters of comfort beyond set limits: <ul style="list-style-type: none"> <li>• Up to £10k</li> <li>• £10k - £45k</li> <li>• Over £45k or greater than 1% of income</li> </ul>	*	*				*			Up to £10k - Principal. Over £10k - Board. Over £45k or greater than 1% of income - ESFA approval. FD to advise
Determine policy for overpayment and debt recovery		*							CEO / FD advises. Board approves. FD implements
Determine lettings and fees policy		*							CEO / FD advises. Board approves. Principals implement
<b>Purchase order authorisation &amp; procurement</b>									
Establish and implement at procurement policy to secure value for money		*							CEO/FD advises. Board approves. CEO/FD/ Principals implement. ARC monitor.
Ensure any services provided by the sponsor or sponsor related bodies are properly procured and represent value for money.					*		*		CEO/FD assures compliance. ARC reviews compliance
Creation and maintenance of a list of approved suppliers							*		FD oversees and approves list

Delegation and financial authorisation	Members	Board	LGB	Audit and Risk Committee	CEO	Headteachers	CFO	Budget holders	Notes
<p>Orders and payments for goods and services - delegation of approvals for trust wide procurement or school specific procurement as below:</p> <p><b>Academies:</b></p> <ul style="list-style-type: none"> <li>• Up to £5k</li> <li>• £5k - £20k</li> <li>• Over £20k</li> <li>• Over EU procurement threshold</li> </ul> <p><b>Trust support services:</b></p> <ul style="list-style-type: none"> <li>• Up to £5k</li> <li>• £5k - £20k</li> <li>• Over £20k</li> <li>• Over EU procurement threshold</li> </ul>		<p style="text-align: center;">*</p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p>			<p style="text-align: center;">*</p>	<p style="text-align: center;">*</p>	<p style="text-align: center;">*</p> <p style="text-align: center;">*</p>	<p>Requisitioner chooses the supplier</p> <p>A minimum of 3 quotes to be sought from approved suppliers Tendering process in line with trust procurement policy Procurement either via EU procurement rules or via a Crescent Purchasing Consortium framework (or similar organisation where procurement frameworks have been EU procured)</p> <p>Same as above</p>	




Delegation and financial authorisation	Members	Board	LGB	Audit and Risk Committee	CEO	Headteachers	CFO	Budget holders	Notes
<b>Audit and risk</b>									
Appointment of external auditors		*							Procurement overseen by ARC who recommend appointment to Board. To be tendered at least every 5 years. 3 shortlisted firms to be interviewed.
Review, develop and approve a set of accounting policies		*							FD advises Board. ARC reviews
Produce audited company accounts in line with SORP for charities. Submit to EFA by 31/12 each year. Publish the accounts and provide copies on request.		*							External Auditors report to ARC. ARC recommend approval to Board
Approval of the accounting officer's statement on regularity, propriety, and compliance.		*							External Auditors report to ARC. ARC recommend approval to Board as part of accounts approval
Report on value for money of the Trust on a regular basis		*							CEO/ FD to report as part of annual accounts approval
Develop and keep under review Business Continuity Plan		*							CEO/ FD to develop with Principals and LGBs. ARC to review periodically
Develop and keep under review a comprehensive risk assessment, risk register, risk mitigation plan, codes of conduct, ethics and corporate responsibility, and whistle blowing policy.		*							CEO/ FD to develop with Principals. ARC and Board to review periodically

<b>Delegation and financial authorisation</b>	<b>Members</b>	<b>Board</b>	<b>LGB</b>	<b>Audit and Risk Committee</b>	<b>CEO</b>	<b>Headteachers</b>	<b>CFO</b>	<b>Budget holders</b>	<b>Notes</b>
Ensure any recommendations for improvement by external auditors, internal audit review, or by external agencies e.g. the ESFA or DfE, once agreed by the Board, are carried out. Monitor and evaluate the impact of actions taken.				*					FD to implement and ARC to review
Notification to ESFA of instances of fraud exceeding £5k					*				CEO to notify ESFA
<b>Pay and remuneration</b>									
Establish and maintain payroll services for all Trust employees and subsidiary company employees		*							FD/ advises the Board and ensure proper services are maintained
Approving salary increases in line with pay and remuneration policy - except for CEO and Principals		*			*				CEO / Principal advises Board. CEO approves Support Services staff increases. CEO / Principal action as appropriate.
Approving / actioning salary increases in line with pay and remuneration policy for CEO and Principals		*							ARC advises and Board approves - in consultation with Chairs of LGBs for Principals.
Determine the Pay and Remuneration Policy		*							CEO/ advise Board and implement
Determine the severance and compensation payments of employees in line with the Academies Financial Handbook		*							CEO/ advise Board and implement

Delegation and financial authorisation	Members	Board	LGB	Audit and Risk Committee	CEO	Headteachers	CFO	Budget holders	Notes
Approval of monthly payroll from the payroll provider: <ul style="list-style-type: none"> <li>Trust</li> <li>Academies</li> </ul>					*	*	**		FD to have an approved list of signatories
<b>Staff: Appointment/Dismissal/Suspension</b>									
Appoint, suspend, discipline or dismiss CEO		*							
Appoint, suspend, discipline or dismiss Headteachers					*				
Appoint, suspend, discipline or dismiss trust staff					*				
Appoint, suspend, discipline or dismiss Academy SLT						*			
Appoint, suspend, discipline or dismiss teaching staff						*			
Appoint, suspend, discipline or dismiss support staff						*			
<b>Staff: Performance management</b>									
CEO		*							
Headteachers					*				
Trust staff					*				
Academy SLT						*			
Academy teachers						*			
Academy support staff						*			

Delegation and financial authorisation	Members	Board	LGB	Audit and Risk Committee	CEO	Headteachers	CFO	Budget holders	Notes
<b>Staff: Contracts</b>									
Approve compromise/termination agreements		*			*				CEO and 2 of the trustees
Manage contract with legal services							*		
Change contracts of employment (Trust)					*				
Change contracts of employment (Academy)						*			
Change contracts of employment for Headteachers					*				
Change contract of employment for CEO		*							
Offer employment outside of approved forecast					*				
Offer of employment if differs from advertised post					*				

Sample of signatures

Name	Job title	Signature
Mr A Cooper	CEO	
Mr M Knowles	Headteacher - Secondary	
Mr J Atherton	Headteacher - Primary	
Mr A Sahi	CFO	