

# Scheme of Delegation of Financial Powers

Presented at Audit, Finance & Risk Committee – November 2024 & Trust Board December 2024

**Amendments September 2019** – OJEU removed from purchase order up to £25K; change of job role from Senior Finance Officer to Support Services Manager

**Amendments January 2020** - Operating leases included under purchases and payments

**Amendments September 2020** - Process regarding orders over £3k and below £10k

**Amendments January 2022:**

- ◆ Investment of funds included within the Reserves area   ◆ Procurement cards Central Hub monthly limit raised to £5K
- ◆ Purchase orders - COO added to Purchase orders over £5K, information regarding when 3 quotes cannot be gained.
- ◆ Variations to contracts – HR department included

Purchases and Payments:

- ◆ Purchase orders – COO, Support Services Manager included in values of over £10,000 up to £40,000   ◆ Non order invoices – Facilities Manager up to £10,000
- ◆ Non order invoices - COO and Support Services Manager

**Amendments for Trustee approval October 2022:**

- ◆ Amended role names due to re-structure of Executive Team and Central Hub Team   ◆ Purchase orders – IT Network Manager & Estates Manager to be added for up to £10K
- ◆ Purchase orders - Catering and Cleaning Coordinator added for up to £5K
- ◆ Procurement - Tender process over £40,000 now includes the 'Find a Tender Service' notification when appropriate, replacing publishing in the Official Journal of the European Union (OJEU) notices in TED
- ◆ Computer Equipment/Hardware to be capitalised if valued at £1,000 or more (as advised by auditors)
- ◆ Delegated budget holders table added   ◆ Removal of self-authorized purchase orders – all orders should be approved by Line Manager or budget holder

**Amendments for Trustee approval July 2023:**

As advised during S4S scrutiny audit

**Amendments for Trustee approval December 2023:**

Removal of redundant role, addition of new roles within procurement approvals and amendment in wording regarding approval levels and bringing non-order invoice approvals in line with Purchase Orders

**Amendments for Trustee approval December 2024:**

- ◆ Role name change – HR Manager to CPO   ◆ Threshold for procurement via tender uplifted to £50k
- ◆ Changes to ensure upgraded Sage finance system approvals adhere to Scheme of Delegation   ◆ Amend Trust Committee names to new merged Committee
- ◆ Updated number of Scrutiny Audits from two the three per annum   ◆ Amended Haines Watts to Cooper Parry   ◆ Tender threshold uplifted to £50k
- ◆ Operating Lease thresholds uplifted in line with tender limits and Intacct procurement limits   ◆ CPO now included in Staffing appointment approvals
- ◆ CPO now included in appointments to be approved by MAT Board   ◆ Capitalisation thresholds uplifted by £500, in line with Financial Procedures

## **Review: November 2024 (after annual external & internal scrutiny audit) Roles and Responsibilities**

### **The Trust Board**

The Trust Board has wide discretion over its use of the Academy Trust's (ATs) funds. It is ultimately responsible for the proper stewardship of those funds and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money.

It must also ensure that it uses its discretion reasonably and considers any and all relevant guidance on accountability and propriety. It is specifically responsible for ensuring that the Trust funds are used in accordance with the law; the Trust Boards powers under the Funding Agreement (including the articles of association which set out the powers of the MAT and its governance arrangements; and the Academy Trust Handbook.

The members of the Trust Board of Penk Valley Academy Trust should also be aware of the statutory duties of company directors, which are set out in the Companies Act and include the duties to:

- exercise their powers only for a proper purpose;
- promote the Academy Trust's (and the Schools within it) success;
- exercise independent judgement;
- exercise care and skill; and
- avoid conflicts of interest.

### **The Audit Finance and Risk Committee**

The Audit Finance and Risk Committee is a recognised committee of the Trust Board. The Audit Finance and Risk Committee meets at least once a term, but more frequent meetings can be arranged if necessary.

Their main responsibilities include:

- the initial review and authorisation of the annual budget;
- the regular monitoring and scrutiny of the academy management accounts;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the ESFA guidance issued to academies;
- reviewing and checking details of contracts and purchases;
- authorising the award of contracts and purchases;
- reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the Trust Board.

### **Individual School's Local Governing Committee (LGC)**

The chair of the LGC will ensure that the School interests are properly considered. There is no requirement for the LGCs to approve financial procedures.

### **Accounting Officer**

The CEO acts as Accounting Officer holding overall statutory responsibility to Parliament. The Accounting Officer has overall responsibility for the Trust's activities including financial activities. The Accounting Officer is personally responsible to Parliament and to the Accounting Officer of the ESFA for the resources under their control.

The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; for ensuring value for money; and for the efficient and effective use of all the resources in their charge. Essentially Accounting Officers must be able to assure Parliament, and the public, of high standards of probity in the management of public funds.

Much of the financial responsibility has been delegated to the Chief Finance Officer (CFO), but the Accounting Officer still retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the Trust Board have agreed should be approved by them;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the EFA guidance issued to academies;
- completion of the Accounting Officer's statement on governance, regularity, propriety and compliance for inclusion in the MATs annual report;
- authorising contracts;
- advising the Audit Finance and Risk Committee on purchases and;
- signing cheques and authorising BACs payments in conjunction with the bank mandate

### **The Responsible Officer (Internal Scrutiny Auditors – currently S4S)**

The Responsible Officer (RO) is appointed by the Trust Board and provides governors with an independent oversight of the academy's financial affairs. The main duties of the RO are to provide the Trust Board with independent assurance that:

- the financial responsibilities of the Trust Board are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained and
- financial considerations are fully considered in reaching decisions

The Responsible Officer will undertake three termly reviews (Spring & Summer x 2) to ensure that financial transactions have been properly processed and that controls are operating as lay down by the Trust Board. A report of the findings from each visit will be presented to the Audit Finance & Risk Committee.

## Other References

- **Regularity** means the requirement for all items of income and expenditure to be dealt with in accordance with the legislation authorising them, and any applicable delegated authority.
- **Propriety** means the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary control. This includes standards of conduct, behaviour and corporate governance.
- **Value for money** means the educational and wider societal outcomes achieved in return for the taxpayer resources received. We are all most interested in educational outcomes in return for the money spent but as this is lagged you are able to use more immediate outcomes to demonstrate value for money and cost effectiveness.

## Budgeting and Reporting

Role	Value	Delegated Authority	Method	Review Period
Budget setting process		Executive Trustee and CEO	Agree academy improvement priorities	Annual
		Academy, CEO, CFO and Management team	Draft budget plan	Annual
		Executive Trustee CEO, CFO	Agree budget plan	Annual
		Audit Finance & Risk Committee	Approve individual School Budget plan Approve budget plan for MAT	Annual
		Board of Trustees	Approve or reject budget after applying the 2 Golden Rules Tests: 1. If the MAT board require the Audit Finance & Risk Committee to reconsider an individual budget, then the MAT Board must provide a full explanation to the Committee of its reasons and the timescales by which an alternative budget should be provided. 2. If the MAT Board has lost confidence in the ability of the Audit Finance & Risk Committee to set an individual school budget that meets the 2 Golden Rules Tests', it will provide a full written explanation to the Committee for its judgement. Under these wholly exceptional circumstances, the Audit Finance & Risk Committee will take responsibility for recommending a budget plan to the board.	Annual
Budget holders' responsibilities	As per the individual budgets set	CEO, SLT and other delegated budget holders	Budget monitoring is the responsibility of the budget holder and must not be overspent at any time during the year unless through prior agreement from the appropriate authorisation level.	Monthly
Monthly Management Accounts		CFO, Financial Services Manager, Central HUB staff and CEO in conjunction with Auditors (Cooper Parry)	All transactions to be processed and reconciled by the Trust's finance staff for the timely checking and production of the monthly management accounts and governors reports as per the Financial Timetable	Monthly

Role	Value	Delegated Authority	Method	Review Period
Virements	Up to £50,000	CFO & Senior Leadership Team	Must be disclosed to the Audit Finance & Risk Committee	As necessary
	Up to £70,000	CFO & Senior Leadership Team	Must be disclosed to the Audit Finance & Risk Committee	As necessary
	Over £70,000	CEO	Must be approved by the Audit Finance & Risk Committee	As necessary
	Up to £100,000	Audit Finance & Risk Committee	Must be disclosed to the Board of Trustees	As necessary
	Over £100,000	Board of Trustees	Must be approved by the Board of Trustees	As necessary
ESFA Reporting		CFO, CEO, in conjunction with Auditors (Cooper Parry)	An annual Financial Reporting Timetable will be released by the ESFA; dates and requirements will be included on this timetable	As necessary to ensure compliance

### Reserves

Role	Value	Delegated Authority	Method	Review Period
Use of reserves	Up to £70,000	CFO, CEO & Senior Leadership Team	Using individual school reserves to support initial budget setting and/or for supporting School Development Plan initiatives	As necessary
Investment of Reserves	Up to £250,000	Chair of Audit Finance & Risk Committee or Chair of Trustees <u>and</u> either CEO, CFO or COO	Reserves will be invested in line with the Investment Policy. This area will be audited as part of the Internal Programme of Internal Work, and the report will be presented to the Audit Finance & Risk committee.	As necessary
Loans between schools	Any value	CFO & CEO	Must be approved by the Audit Finance & Risk Committee	As necessary

### Income

Role	Value	Delegated Authority	Method	Review Period
Collection and receipt of cash and cheques	Any	CFO, Financial Services Manager and Central HUB Finance Team	Cash must be receipted by the person with delegated authority and recorded in the appropriate ledger. All on site cash and cheques must be locked in the safe until banking	Daily

Role	Value	Delegated Authority	Method	Review Period
Sales invoices	Up to £5,000	Finance Support Officer	All sales invoices must be processed through the financial management system, and issued in a timely manner, within 30 days.	As required
	Up to £15,000	Financial Services Manager		
	£15,001 - £100,000	CEO & CFO	CEO & CFO to authorise the issuing of sales invoices above £15,001	As required
	Over £100,001	Audit Finance & Risk Committee	Audit Finance & Risk to approve the issuing of sales invoices above £100,001	As required
Banking of cash and cheques	Any	Central HUB Finance Staff	Cash and cheques should be banked on a regular basis and should not be allowed to accumulate above £1,000. Banking should be checked and agreed by another member of staff before being banked.	As required
	Any	Financial Services Manager, Central HUB Finance Team	ParentPay reduces value of cash and cheques accepted within Schools. Coin will be collected from each school site by a recognised cash collection company where appropriate. Cheques and notes are taken to the Bank by Central HUB Staff.	Weekly or as necessary
Reconciliation of bank accounts		Financial Services Manager, Central HUB Finance Team	Bank accounts should be reconciled at least on a monthly basis by someone other than the person preparing the money for the bank. Bank reconciliations should then be signed dated and filed.	Monthly
Petty Cash		Financial Services Manager, Central HUB Finance Team	A petty cash float of £200 will be available on each school site. Petty cash should be kept in a locked tin and stored in the school safe. Petty cash payments should be kept below £30. Receipts must be provided for any claim. Approval from the appropriate budget holder must be obtained before any reimbursements take place. Claims are processed to return the float back to £200 when expenditure reaches £50 or quarterly, whichever happens sooner. Period checks should take place by finance consultant or Responsible Officer. No expenses to be paid to staff via this method.	Weekly

Role	Value	Delegated Authority	Method	Review Period
Petty Cash (continued)			Cheques can be issued; 2 signatures are required on every cheque as per the bank mandate.	Weekly
		CFO and Financial Services Manager	Open credit facility available by MAT with Lloyds Bank (Cannock) up to a maximum of £500	Weekly
Procurement Cards	Up to £500	Minibus drivers	Card to be used to procure essential goods. Monthly limit of £500 with a maximum item spend of £100	As necessary
	Up to £1,000	School Administrative Support Staff, Catering & Cleaning Coordinator and Estates Manager	Card to be used to procure essential goods. Monthly limit of £1,000	
	Up to £3,000	Catering Supervisors	Card to be used to procure essential goods. Monthly limit of £3,000. Temporary uplifts in limits may occur due to staff covering multiple kitchens; these requests will be approved by CFO	As necessary
	Up to £3,000	CFO, COO, CPO, Financial Services Manager, IT Network Manager, Central HUB Finance Team	Card to be used to procure essential goods. Monthly limit of £3,000	As necessary
	Up to £500	School visit leads and DT departments	Card to be used to procure essential goods when on school visits and procuring for DT curriculum classes (there is a maximum item spend for DT of £50). Monthly limit of £500 – this is reviewed for each visit and a temporary uplift in limit approved by CFO	As necessary
Charges, Remissions and Debt Recovery Policy		MAT Board	CFO to prepare and ensure policy is updated annually and presented to the MAT Board for approval.	Annual

## Purchases and Payments

Role	Value	Delegated Authority	Method	Review Period
Purchase orders	Up to £5,000 Budget Level 1	Central HUB Finance Staff, Delegated Budget Holders, Transport & Central Team Administrative Assistant	Orders should be placed with approved suppliers unless agreed otherwise with a member of the MAT Executive or the School leadership team. Orders should be processed on appropriate form and authorised before being processed in the financial management system, and before order is placed with supplier. Approved paper-based orders should be entered into the financial management system by someone other than the person who approved the order.	Weekly
	Up to £10,000 Budget Level 2	Budget Holder, Financial Services Manager, IT Network Manager & Estates Manager, CPO, Office Managers	As above and three quotes must be obtained. These can include both written and verbal. When it is impracticable to obtain 3 quotes, the budget holder will sign off the PO detailing the reason(s) why 3 quotes are not present. This is reported via a breaches report to the CFO and taken to Audit Finance & Risk each Term.	Weekly
	Over £10,001 up to £50,000 Budget Level 3	CFO & COO	As above however minimum three quotes must be written.	Weekly
	Over £50,001 Budget Level 4	MAT Board, CEO, COO for interim period whilst interim CEO in place	Formal tendering process, will be initiated, including advertising on the government's 'Find a Tender' Service when appropriate. Seek legal advice for purchases over £50k if purchases are not through the Deals for Schools, single supplier or any other framework agreement.	Weekly
Where specialist bid writing and proposal services are engaged (e.g. CIF bids), the Trust will accept best value tender response recommendation from the specialist. The specialist service bid writing and consultancy provision will continue to be scrutinised annually.				

Role	Value	Delegated Authority	Method	Review Period
Non Order Invoices	Up to £5,000 Budget Level 1	Central Hub Finance Staff, Delegated Budget Holders, Transport & Central Team Administrative Assistant	Invoices will be formally approved by budget holder, signed and dated	Weekly
	Up to £10,000 Budget Level 2	Budget Holders, Financial Services Manager, IT Network Manager & Estates Manager, CPO, Office Managers	Invoices will be formally approved by budget holder, signed and dated	Weekly
	Over £10,001 up to £50,000 Budget Level 3	CEO, CFO, COO	Invoices will be formally approved by budget holder, signed and dated	Weekly
There are occasions when 3 quotes are not practicable due to the nature of the service being provided by the supplier. These are predominantly utilities, Entrust SLAs, alternative provision, site compliance costs, Exams, Alternative Provision and costs relating to supplies procured via the tender process or from direct approval from the Board of Trustees.				
Payment by cheque or BACs	Any Value	Two signatories required in compliance with bank mandate	Individual payments to any supplier to the value of £20,000 need to be signed by two individuals in the delegated authority column. Cheques or payment notifications, must be accompanied by supporting documentation	As necessary
Standing orders and direct debits	Any Value	Two signatories required in compliance with bank mandate: one from either of the CEO, CFO or a Member of the PVAT Executive Leadership	Individual payments to any supplier to the value of £20,000 need to be signed by two individuals in the delegated authority column. Cheques or payment notifications, must be accompanied by supporting documentation	As necessary

Role	Value	Delegated Authority	Method	Review Period
Liabilities and Write-Offs	1% of total annual income or £45,000 (whichever is smaller) per single transaction. Cumulatively, 2.5% of total annual income in any one financial year per category of transaction for any MATs that have not submitted timely, unqualified financial returns for the previous two financial years. This includes new academies that have not 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 MATs that have submitted timely, unqualified financial returns for the previous two financial years	CEO	Anything above these limits must be approved by Secretary of State through the EFA	Annual
Operating leases	Individual item value of £10k. Lifetime value £50k	CEO, CFO & COO	Procurement process to be actioned with at least 3 quotes being requested. Best value to be established prior to lease being signed.	Annual
Purchase or sale of any freehold property	Any	ESFA approval required	Annual	Annual
Granting any leasehold or tenancy agreement	Any	ESFA approval required	Annual	Annual
Taking up any leasehold or tenancy agreement for more than three years	Any	ESFA approval required	Annual	Annual

## Wages and Salaries

Role	Value	Delegated Authority	Method	Review Period
Appointment of Staff	Support Staff	Headteacher, CFO, CPO, Financial Services Manager	All schools have an agreed staffing structure. Vacancies which occur will never be automatically replaced, a full consideration of requirements will be conducted. Financial viability of all advertised positions will be considered. CEO approval will only be required for Grade 9 positions and above.	Annual
	Teaching Staff	Headteacher, CFO, CPO	As above. Where there is a need to recruit due to increase in pupil numbers or a new service, these must be fully costed and viable. CEO approval will only be required for Leadership positions.	Annual
	Leadership Staff	CEO, Headteacher, CFO and CPO	As above. Where there is a need to increase leadership capacity, the financial impact must be fully costed and viable. Approval would need to be sought from the CEO on any changes to the agreed staffing structure.	Annual
Appointment of Staff (continued)	CEO/CFO/COO/CPO	MAT Board/Members	The MAT Board and Members will deal directly with these appointments, although some operational issues may be delegated.	As necessary
Variations to contracts, dismissals, secondments, Setting salary pay grades/ranges	Salary Grades and Ranges	MAT Executive & HR Department	Organisational structures already in place which incorporate salary grades/ranges. Teaching staff grades will be reviewed annually in line with the STPCD. For support staff, current ranges are approved via the standardised Job descriptions which followed Job Evaluation. New positions where job descriptions are required will be obtained via the Local Authority.	

Role	Value	Delegated Authority	Method	Review Period
	Variations to contracts	Headteachers, CFO, CPO	Individual contracts can be amended to support either business need or staffing requirements. This will also include secondments	
	Dismissals and redundancies	CEO, Headteacher, CFO, CPO Appeals will be heard by the Audit Finance and Risk Committee.	These may be supported by an external HR Service. Where settlement or redundancy agreements are reached, approval will be sought from the Audit Finance & Risk Committee.	
Payroll Processing		CFO, CPO & Financial Services Manager	Monthly payroll check identifying any necessary changes or adjustments. Monthly payroll and any changes must be authorised and signed off on by the CFO. Payroll reports and payments made will be checked and agreed by the CFO on a monthly basis.	Monthly
Authorising Travel & Subsistence		CEO, Headteachers, CFO, CPO, Financial Services Manager and delegated budget holders	Staff should submit expense claims within one calendar month. This should be signed by the line manager of the staff member. This approval may be electronic via EduPay	Monthly
Contracts of employment		CFO, CPO, HR Department	All employee contracts need to be kept up to-date. Any contract changes need to be authorised by the appropriate authority level as per (Appointment of staff) authority and filed in the staff member's file. These contracts will be periodically checked by the Responsible Officer and the External auditors.	As required

## Assets

Role	Value	Delegated Authority	Method	Review Period
Fixed asset register	£2,500 £1,500 for Computer Equipment/Hardware	Office manager or on-site ICT staff member	All assets to the value of £2,500 either individually or as a group will need to be recorded in the asset register Computer Equipment/Hardware with a value of £1,500 or more will be capitalised.	Monthly and annually

## Budget Holders

Budget	Budget Holder	Delegated Budget Holders
MFS	Headteacher	Executive Team, Financial Services Manager, Central Hub Staff, Estates Manager, IT Network Manager, H&S Manager, Catering Supervisors
PFS	Headteacher	Deputy Headteacher, Executive Team, Financial Services Manager, Central Hub Staff, Estates Manager, IT Network Manager, H&S Manager, Catering Supervisors
SJF	Headteacher	Executive Team, Financial Services Manager, Central Hub Staff, Estates Manager, IT Network Manager, H&S Manager, Catering Supervisors
SMC	Headteacher	Executive Team, Financial Services Manager, Central Hub Staff, Estates Manager, IT Network Manager, H&S Manager, Catering Supervisors
PMS	Headteacher	Executive Team, Financial Services Manager, Central Hub Staff, Office Manager, School's Senior Leadership Team, Estates Manager, IT Network Manager, H&S Manager, Catering Supervisors
REA	Headteacher	Executive Team, Financial Services Manager, Central Hub Staff, Office Manager, School's Senior Leadership Team, Estates Manager, IT Network Manager, H&S Manager, Catering Supervisors
WHS	Headteacher	Executive Team, Financial Services Manager, Central Hub Staff, Office Manager, School's Senior Leadership Team, Estates Manager, IT Network Manager, H&S Manager, Catering Supervisors, Heads of Department
Trust Central Services	CEO/CFO	Financial Services Manager, Transport & Central Team Administrative Assistant