



**THIS POLICY COVERS ALL ACADEMIES/SCHOOLS WITHIN
ARDEN MULTI-ACADEMY TRUST**

Name of Policy	Financial Scheme of Delegation Policy	
Lead	Christine Austin, Finance Director (Chief Finance Officer)	
Governor Committee	Audit and Risk Committee	
Policy Status	Governor Approved previous version	19th October 2012
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Scheme of Delegation

The AMAT Board of Directors have agreed this Scheme of Delegation, established as a formal schedule that distinguishes between matters reserved exclusively for the directors approval or decision, and matters delegated to committees and individuals. The Scheme of Delegation includes the financial limits and signatories applicable to such matters as placing orders and contracts, and issuing cheques.

This is a key document which forms the basis for all financial controls in Arden Multi-Academy Trust.

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1. Powers and duties reserved for the AMAT Board

The AMAT Board members shall be responsible for:

General

1.1 Approval of a written scheme of delegation of its financial powers and duties to its AMAT Business and Personnel (B&P) Committee and Audit and Risk Committee (A&R), the Chief Executive Officer and other staff. The scheme must satisfy the Board's ultimate responsibility for ensuring that there are adequate operational controls in place for all the financial processes within the school/academy. The Financial Scheme of Delegation should be operated in conjunction with the AMAT Procurement and Competitive Tendering Policy and the Financial Regulations of the school/academy as governed by the current ESFA Academies Trust Handbook.

Budgets/budgetary control

1.2 Formally approving the annual school/academy budget at least one month prior to the start of each new academic year.

1.3 Considering budgetary control reports from the Business & Personnel Committee at every meeting, with relevant explanations and documentation where required.

1.4 Authorisation of all virements in excess of £30,000 between budget headings. Details of all virements reviewed and authorised by the Business & Personnel Committee are to be formally notified to the Trust Board.

Purchasing

1.5 Maintenance of a Register of Business Interests for all members, governors and trustees and those senior school/academy staff across the Trust with financial responsibilities.

1.6 Authorisation of the award of tenders above £100,000.

1.7 Accepting the best value tender and minuting the reason/s for their decision.

Income

1.8 Authorisation of the write-off of debts not collectable above £1,000 (the Secretary of State's prior approval is also required if debts to be written off are above the value set out in the annual funding letter as detailed in the ESFA Financial Handbook).

Security of assets

1.9 Authorisation of the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with a net book value in excess of £5,000.

Accounts and audit

1.10 Recommendation of the appointment of external auditors.

1.11 Reviewing the draft financial statements prior to audit and approval of the audited financial statements prior to submission to the Secretary of State by 31 December.

1.12 Receiving the reports of the external auditor.

1.13 Receiving the reports of internal audit having first been presented to the Audit and Risk Committee on the use of resources, systems of internal financial control, and discharge of financial

responsibilities.

1.14 Informing the ESFA if it suspects any irregularity affecting resources.

A quorate group of trustees can approve decisions in the event that the members of other committees are unavailable to meet.

2. Powers and duties delegated to the AMAT Business and Personnel Committee (B&P) and Audit and Risk Committee (A&R)

The committees shall be responsible for:

General

2.1 Exercising the powers and duties of the AMAT Board in respect of the financial administration of the schools/academies in the Trust, except for those items specifically reserved for the Trust Board members and those delegated to the Chief Executive Officer and other staff of schools in the multi-academy trust.

2.2 Reporting on decisions taken under delegated powers to the next meeting of the Trust Board (see Appendix 1 and 2 for the Remit and Responsibilities of the Business and Personnel Committee and the Audit and Risk Committee).

Budgets/budgetary control

2.3 Reviewing the individual annual school/academies budgets prior to the start of each financial year and recommending its acceptance, or otherwise to the Trust Board.

2.4 Considering management information and budgetary control reports on the schools/academies financial positions at every meeting, taking appropriate action to contain expenditure within the budget and report to the Trust Board.

2.5 Reviewing the sums vired between budget heads, subject to a limit of £30,000, as approved and authorised by the Chief Executive Officer and/or the Chief Finance Officer (CFO) as appropriate, which are to be formally notified to the Business & Personnel Committee who shall minute the notification.

2.6 Reporting to the Trust Board all significant financial matters and any actual or potential overspending.

Purchasing

2.7 The Chair of the Trust Board and the Chair of the B&P Committee has been given the powers to authorise the award of orders and contracts over £50,000 and up to £100,000. If neither of these are available the powers are transferred to the chair of the Audit and Risk Committee, if the chair of the Audit and Risk Committee is not a Trustee the powers will be transfer to two other Trustees.

2.8 Tenders valued at more than £100,000 and not representing best value or tenders valued at more than £100,000 which were received late, can only be accepted by the B&P Committee who shall minute the reason for their decision prior to referral to the Trust Board for approval. Acceptance decisions will be based on best value and not necessarily best price.

Insurances

2.9 Ensuring that arrangements for insurance cover are in place and adequate for all schools in the AMAT.

Security of assets

2.10 Ensuring that there are annual independent checks of assets and the asset register.

2.11 Authorising the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with a net book value from £1,000 to £5,000 and reporting such authorisations to the AMAT Board.

Personnel

2.12 Recording permanent changes to the schools/academies staffing costs.

Accounts and audit

2.13 Reviewing the draft financial statements and highlighting any significant issues to the Trust Board prior to submission to the Secretary of State by 31 December.

2.14 Receiving the reports of each school/academy from the internal auditor in conjunction with the Trust's chosen external auditors, on the effectiveness of the financial procedures and control and recommending or determining appropriate actions to be undertaken. These reports must also be presented to the Trust Board for noting purposes.

3. Financial powers and duties delegated to the Chief Executive Officer

The Chief Executive Officer has delegated powers and functions in respect of internal organisation, management and control of the school/academy, the implementation of all policies approved by the Trust Board and/or any AMAT committee for the direction of teaching and the curriculum.

The Chief Executive Officer shall be responsible for:

Budgetary control

3.1 Reviewing income and expenditure reports and highlighting actual or potential overspending to the B&P Committee.

3.2 Approving virements between budget headings of over £10,000 and up to £30,000 and reporting such approval to the B&P Committee.

Financial management

3.3 Ensuring the arrangements for collection of income, ordering of goods and services, payments and security of assets are in accordance with the Financial Regulations as specified in the ESFA Academies Trust Handbook.

Purchasing

3.4 Authorising orders and contracts over £20,000 and up to £50,000 in conjunction with the Executive Headteacher and Chief Financial Officer.

3.5 Ensuring that all contracts and agreements conform to the Financial Regulations as specified in the ESFA Academies Trust Handbook.

Payroll and personnel

3.6 Approving new staff appointments within the authorised staffing structure.

3.7 Certifying the payment of salaries each month.

Security of assets

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

3.8a In conjunction with the Associate Headteacher or Executive Headteacher, authorising the disposal of any assets a net book value of £nil and an original cost of purchase over £1,000

Accounts and audit

3.9 The operation of financial processes within the schools/academies in the Trust, ensuring that adequate operational controls are in place and that the principles of internal control are maintained as specified in the ESFA Academies Trust Handbook.

3.10 Ensuring that full, accurate and up to date records are maintained in order to provide financial and statistical information.

3.11 Ensuring that all records and documents are available for audit by the appointed external auditors and by any member of the Trust Board.

If the Chief Executive Officer is unavailable to perform their duties their powers will be assigned to the Executive Headteacher.

4. Financial powers and duties delegated to the Chief Financial Officer

Budgets/budgetary control

4.1 Preparing an annual draft budget proposal for each school/academy in the Trust for consideration by the Finance & Resources Committee and approval by the Trust Board at least one month before the start of the relevant academic year (in good time for submission to the ESFA prior to the required annual submission deadline).

4.2 Monthly monitoring of expenditure and income against the approved budget and submitting reports on the individual school/academies' financial position to every meeting of the AMAT B&P Committee. Any actual or potential overspending shall be reported to the AMAT Audit & Risk Committee.

4.3 Approving virements between budget headings up to a value of £10,000 and reporting such approval to the Chief Executive Officer and AMAT B&P Committee.

Purchasing

4.4 Authorising orders and contracts up to £5,000 in conjunction with budget holders and the Finance Officer/Business Manager-of each school/academy in the Trust.

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

4.6 Retention of quotes obtained for goods, works and services.

4.7 Ensuring that all correct invoices are duly certified 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.

4.8 Ensuring the appropriate division of duties between staff responsible for processing orders,

receiving deliveries and processing payments.

Payroll and personnel

4.10 Ensuring that the monthly payroll is checked for accuracy prior to being submitted to the Associate Headteacher for certification for payment.

Income

4.11 Ensuring that all income is accurately accounted for and is promptly collected and banked accordingly.

Banking arrangements

4.12 Maintaining proper records of account and reviewing monthly bank reconciliations.

Insurances

4.13 Notifying the AMAT Audit & Risk Committee on any eventuality that could affect the insurance arrangements of its academies in the Trust.

Security of assets

4.14 Maintaining a permanent and continuous register of all items of furniture, equipment, vehicles and plant for each school/academy in the Trust.

Information and communication systems

4.15 In conjunction with the ICT Manager and Data Protection Officer, maintaining the standards of control for such systems in operation within the Trust to include the use of properly licensed software, and for the security and privacy of data in accordance with the Data Protection Act.

5. Financial powers and duties delegated to other staff

Members of staff with delegated responsibilities should be aware that these must be exercised in accordance with Financial Regulations as specified in the ESFA Academies Trust Handbook.

The following responsibilities are delegated to other staff in addition to the Chief Executive Officer and Chief Financial Officer:

Budgets/budgetary control

5.1 Department budget holders are responsible for checking statements of expenditure including purchase cards against their delegated budget. Any actual or potential overspending shall also be reported to the Chief Financial Officer by the Finance Officer/Business Manager of each school/academy who should overview this process.

Purchasing

5.2 Department budget holders can authorise orders up to £500 provided it is within the scope and remaining balance of their delegated budget. Orders over £500 up to £1,000 must be countersigned by the Finance Officer/Business Manager and orders over £1,000 up to £5,000 must be countersigned by the Chief Financial Officer.

5.3 The Executive Headteacher can authorise orders and contracts over £5,000 and up to £20,000 in conjunction with clause 5.2.

5.4 The following members of staff, in addition to the Chief Executive Officer, Executive Headteacher and Chief Financial Officer, are authorised to open tenders in the presence of another authorised person:

- Assistant Headteacher/Deputy Headteacher
- Finance Officer or Business Manager
- MAT Facilities Manager
- MAT HR Manager

5.5 The following members of staff are authorised to check goods:

- Department budget holders
- Administrators nominated by the budget holder
- Finance assistants

Approval of monthly payroll

5.6 The submission of monthly payroll prior to payment must be approved by the Executive Headteacher and the Associate Headteacher for their respective school. The Central Services payroll to be approved by the CEO and the CFO. In the event that any one of these is unavailable the monthly payroll submission can be approved by one of the following:

- CEO
 - CFO
 - MAT HR Manager
 - MAT Finance Manager
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Delegated Duty				
Value (excluding VAT)		Delegated Authority		Additional requirements
From	To			
Advertising Contracts				
Based on UK Government procurement limits published on assets.publishing.service.gov.uk		AMAT Board		Formal tendering process, including advertising contracts in prescribed Government publications (if over the UK Government threshold) or use of Framework agreements
Authority to accept other than best value quotation or tender				
£0	£50,000	Chief Executive Officer, Headteacher & Chief Financial Officer	Executive & Chief Financial Officer	Reasons must be documented
£50,001	£100,000	AMAT B&P Committee		
£100,001		AMAT Board		
Purchasing of Goods and Services – approving requisitions and approving purchase invoices not requiring a purchase order				
Value (excluding VAT)		Delegated Authority		Additional Requirements
From	To			
		Secondary School	Primary School	
£0	£499	Budget Holder	Budget Holder/ Headteacher	Ensure best value demonstrated
£499	£500	Budget Holder	MAT Director of Primary Education	Interim measure
£501	£1,000	As above plus Finance Officer/MAT Finance Manager	As above plus Primary School Business Manager	
£1,001	£5,000	As above plus Chief Finance Officer	As above plus Chief Finance Officer	Orders over £2,000 must have a minimum of three quotes where available
£5,001	£20,000	As above plus Executive Headteacher	As above plus Chief Executive Officer	
£20,001	£50,000	As above plus Chief Executive Officer	As above plus Chief Executive Officer	
£50,001	£100,000	As above plus Chair of AMAT Board or Chair	As above plus Chair of AMAT Board or Chair of B&P Committee	

			of B&P Committee	
Over £100,001			AMAT Board	AMAT Board
Compliance with UK published procurement limits/assets.publishing.service.gov.uk				
Purchase or sale of any freehold land or buildings				
Any			ESFA approval required	
Granting or take up of any finance lease or tenancy agreement exceeding seven years				
Any			ESFA approval required	
Authorisation of transfers of funds between schools for recharges				
			As per ordering goods above except approval is not required from AMAT B&P Committee or AMAT Board	

Approval of monthly payroll				
			Associate Headteacher/ Primary School Business Manager of the individual school and Executive Headteacher/ Director of Primary Education . Central Services – CEO and CFO	CEO, MAT HR Manager, CFO or MAT Finance Manager can be the second approver if one first approver is unavailable
Signatory for payroll bank transfers and bureau transactions				
			Any two of CEO, Executive Headteacher, Deputy Headteacher and CFO	If two signatories are unavailable an Associate Headteacher may authorise the payment.
Signatories for cheques, BACS payment authorisations and other bank transfers				
			Two signatories from: - Chief Executive Officer - Chief Financial Officer - Executive Headteacher - Deputy Headteacher - Headteacher/Associate Headteacher -Chair AMAT Board and other nominated Trustee	Payments to be made subject to bank authorisations limits. Cheques over £20,000 must be authorised by the Chair of the AMAT Board or a nominated Trustee
Write-off of bad debts				
£nil	£1,000		Chief Executive Officer and Chief Financial Officer	
Over £1,001			AMAT Board, subject to requirements of Academies Trust Handbook	
Raising invoices to collect income (excluding invoices between AMAT schools)				
£nil	£1,000		Finance Officer / MAT Finance Manager	Lettings Officer may raise lettings invoices only

£1,001	£5,000	As above plus Chief Finance Officer	
£5,001	£20,000	As above plus Executive Headteacher	
£20,001	£50,000	As above plus Chief Executive Officer	
£50,001	£100,000	As above plus Chair of AMAT Board or Chair of B&P Committee	
£100,001		AMAT Board	
Disposal of assets (excluding land, buildings and heritage assets)			
Net book value– £nil Original cost over £1,000	Net book value £1,000	Chief Executive Officer and Associate Headteacher or Executive Headteacher	
Net book value £1,001	Net book value £5,000	As above plus AMAT B&P Committee	
Net book value £5,001		As above plus AMAT Board	

Signatories for ESFA grant claims and ESFA returns				
			Two signatories (or as required by ESFA) from: -Chief Executive Officer -Chief Financial Officer -Executive Headteacher -Headteacher/Associate Headteacher - Nominated Trustee	The MAT Finance Manager in the absence of or if directed by the Chief Financial Officer can submit ESFA returns and grant claims
Virement of budget provision between budget headings				
£nil	£10,000		Chief Financial Officer	With reporting to the Chief Executive Officer and B&P Committee
£10,001	£30,000		As above plus Chief Executive Officer	With reporting to the B&P Committee
£30,001			AMAT Board	

7. Summary of exceptions to the AMAT Scheme of Delegation

7.1. Purchases not requiring a purchase order:

7.1.1. Utility invoices where a contract has been agreed with the supplier and the invoice is in line with the contract

7.1.2. As school trips are not an integral part of the Arden MAT purchase ordering system, purchase orders for school trips are not required providing the original trip, including

all the costings, has been approved by the school/academy senior leadership team and is being funded by voluntary parental contributions. Invoices for trips are not paid until the appropriate contributions have been received. The selection of the trip supplier will adhere to the Financial Scheme of Delegation and the trip leader will still obtain three quotes when required.

- 7.1.3. Due to the difficulty of obtaining detailed costs for examination entry invoices, examination board invoices will not require a purchase order providing the examination board to be used has been approved by the school/academy senior leadership team at the start of the course and the pupil entry is agreed by the senior leadership team at each school/academy and/or by the head of department.
- 7.1.4. Invoices where there is a contract in place approved in accordance with the Scheme of Delegation
- 7.1.5. Catering invoices for the day-to-day purchase of food required by the school/academy kitchens where suppliers used are on the AMAT approved list of suppliers.
- 7.1.6. Urgent invoices to cover:
 - 7.1.6.1. Premises/maintenance requirements
 - 7.1.6.2. Supply agency costs

All purchase invoices to be approved in accordance with the Scheme of Delegation.