

**HIGHCLIFFE SCHOOL**

**SCHEME OF FINANCIAL DELEGATION**

**April 2016**

## **Scheme of Delegation**

The Governing Body agrees a Scheme of Financial Delegation that distinguishes between matters reserved exclusively for the Governors' approval or decision, and matters delegated to committees and individuals.

This is a key document which forms the basis for all financial controls in the School.

### **1 Powers and duties reserved for the Full Governing Body**

The Full Governing Body shall be responsible for:

#### **General**

**1.1** Approval of a written scheme of delegation of its financial powers and duties to its Resources Committee, Pay Review Panel, the Headteacher and other staff. The scheme of delegation should be read in conjunction with the Financial Policies and Financial Procedures of the School.

**1.2** Formally approving the annual budget for submission to the Education Funding Agency in line with required deadlines.

**1.3** Considering budgetary control reports from the Resources Committee, with relevant explanations and documentation where required.

**1.4** Details of virements in excess of £30,000 approved by the Resources Committee are to be formally notified to the Governing Body.

#### **Purchasing**

**1.5** Maintenance of a Register of Business and Pecuniary Interests for all Governors and Senior School Staff with Financial responsibilities.

**1.6** Authorisation of the advertising of tenders above £30,000, and approving the award of such tenders.

**1.7** Tenders other than the most financially favourable, or late tenders, can only be accepted by the Governing Body, who shall minute reasons for their decision.

#### **Income**

**1.8** Authorisation of the write off of debts not collectable. The Secretary of State's prior approval is also required if debts written off are above the values specified in the relevant Academies Financial Handbook.

## **Security of Assets**

**1.9** Authorisation of the disposal of individual items of equipment and obsolete with an original purchase value in excess of £5,000. Disposal of assets with an original purchase value in excess of £20,000 to be approved by the Education Funding Agency.

## **Accounts and Audit**

**1.10** Appointment of External Auditors following review of recommendations from the Audit Committee.

**1.11** Approval of audited financial statements prior to submission to the Secretary of State in line with required deadlines.

**1.12** Informing the Education Funding Agency if it suspects any irregularity affecting resources.

## **2 Powers and duties Delegated to the Resources Committee**

The Resources Committee shall be responsible for:

### **General**

**2.1** Exercising the powers and duties of the Governing Body in respect of the financial administration of the School, except for those items specifically reserved for the Governing Body, Resources Committee, Pay Review Panel and those delegated to the Headteacher and other staff.

**2.2** Reporting on decisions taken under delegated powers to the next meeting of the Governing Body.

### **Budgets / Budgetary Control**

**2.3** Reviewing the annual School budget prior to the start of each financial year and recommending its acceptance, or otherwise to the Governing Body.

**2.4** Considering budgetary control reports on the School's financial position, taking appropriate action to contain expenditure within the budget and report to the Governing Body.

**2.5** Reviewing the virement of sums in excess of £10,000 and up to £30,000, as approved and authorised by the Headteacher.

**2.6** Reporting to the Governing Body all significant financial matters and any actual or potential overspending.

## **Purchasing**

**2.7** Authorising the award of orders and contracts over £10,000 and up to £30,000

**2.8** Quotations other than the most financially favourable must be accepted by the Resources Committee who shall minute reasons for their decision.

## **Insurances**

**2.9** Ensuring that arrangements for insurance cover are in place and adequate.

## **Security of Assets**

**2.9** Ensuring that an asset register is maintained.

**2.10** Authorising the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with an original purchase value of up to £5,000 and reporting such authorisations to the Governing Body.

## **Accounts and Audit**

**2.11** Reviewing the draft financial statements and highlighting any significant issues to the Governing Body, prior to submission to the Secretary of State.

### **3 Financial Powers and duties delegated to the Resources Committee**

The Resources Committee shall be responsible for:

#### **General**

- 3.1** Reviewing the risks to the School's internal financial controls and
- Agreeing a programme of work to address these risks
  - Inform the Governance Statement in the statutory published accounts
  - Provide assurance to the external auditors

#### **Accounts and Audit**

**3.2** Initiate arrangements for the external audit of the schools accounts, and make recommendations to the Governing Body. Receive the audit opinion and report from the external auditor.

**3.3** Establish arrangements for the internal audit of the School's financial controls and risks, whether through the Responsible Officer or appointed internal auditors. Receive and review the reports from the responsible officer or internal auditors. These reports must also be submitted to the Governing Body.

**3.4** Oversee arrangements for financial management including banking arrangements.

#### **Governor Performance**

**3.5** Establish a framework for the review of Governor performance.

## **4 Powers and duties delegated to the Pay Review Panel**

The Pay Review Panel shall be responsible for:

### **4.1**

- Meeting annually with the Headteacher to review the Headteacher's recommendations regarding the performance and progression of the Senior Leadership Team. These reviews are conducted within the framework of the Pay Policy recommended by the Personnel Committee and approved by the Full Governing Body.
- Conducting the Performance Review of the Headteacher, and to award performance points where appropriate, and as prescribed in the Pay Policy.
- Reporting decisions on Headteacher and Leadership pay to the Full Governing Body.
- Investigating any complaint from the Headteacher.
- Ensuring via reports from the Headteacher, that the Performance Management policy is implemented throughout the school, and that all staff are included in the system of performance review.
- Agreeing procedures for hearing staff grievances
- Attending appropriate governor training

The full governing body does not approve salaries. This enables a group of governors able to act in the event of an appeal being made.

## **5 Financial powers and duties delegated to the Headteacher**

The Headteacher has delegated powers and functions in respect of internal organisation, management and control of the School, the implementation of all policies approved by the Governing Body and for the direction of teaching and the curriculum.

The Headteacher shall be responsible for:

### **Budgetary Control**

**5.1** Reviewing income and expenditure reports and highlighting actual or potential overspending to the Resources Committee.

**5.2** Approving virements up to £10,000 and reporting such approval to the Resources Committee.

### **Financial Management**

**5.3** Ensuring arrangements for the collection of income, ordering of goods and services, payments and security of assets are in accordance with the Financial Policies and Procedures.

### **Purchasing**

**5.4** Authorising orders and contracts over £5,000 and up to £10,000 .

**5.5** Ensuring that all contracts and agreements conform to the Financial Policies and Procedures.

**5.6** The Headteacher can sign invoices in excess of £10,000 up to £50,000 where this is in line with the budget approved by the Governors and submitted to the EFA. These should only be for business as usual school expenditure such as Exam Fees, Transportation, Utilities and Trips. If the actual cost exceeds either 10% or £10,000 of the approved budget then these should be also approved by the Chair of the Resourcing committee. This doesn't apply to new contracts or contract renewals where the approval should follow the normal process. Similarly for the Director of Business and Finance they can sign up to £10,000 for these normal run the school invoices. In addition a report of all invoices in excess of £10,000 will be provided to the Chair of the Resources committee on a monthly basis.

### **Payroll and Personnel**

**5.7** Approving new staff appointments.

**5.8** Certifying the payment of salaries each month, in conjunction with the Director of Business and Finance and the Finance Officer.

**Security of Assets**

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

**Accounts and Audit**

**5.10** The operation of financial processes within the School, ensuring that adequate operational controls are in place and that principles of internal control are maintained.

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

**5.12** Ensuring that all records and documents are available for audit by the appointed external and internal auditors and by the Responsible Officer.



## **6 Financial powers and duties delegated to the Director of Business and Finance**

The Director of Business and Finance shall be responsible for:

### **Budgets / Budgetary Control**

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

**6.2** Monthly monitoring of expenditure and income against the approved budget and submitting reports on the School's financial position to the Headteacher and the Resources Committee. Any actual or potential overspending shall be reported to the Headteacher and Resources Committee.

### **Purchasing**

**6.3** Authorising orders and contracts up to £5,000 in response to requests from budget holders.

**6.4** The Director of Business and Finance can sign up to £10,000 for these normal business as usual invoices (see Headteacher's section). In addition a report of all invoices in excess of £10,000 will be provided to the Chair of the Resources committee on a monthly basis.

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

**6.6** Retention of quotes obtained for goods, works and services.

**6.7** Ensuring that all correct invoices are duly certified by the 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.

**6.8** Ensuring the appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments.

### **Payroll and Personnel**

**6.9** Ensuring in conjunction with the Finance Officer that the monthly payroll is checked, and certified for payment by the Headteacher.

### **Income**

**6.10** Ensuring that all income is accurately accounted for and is promptly collected and banked intact.

**Banking Arrangements**

**6.11** Maintaining proper records of account and reviewing monthly bank reconciliations.

**Insurances**

**6.12** Notifying the Headteacher and Resources Committee on any eventuality that could affect the School's insurance arrangements.

**Security of Assets**

**6.13** Maintaining an asset register

## **7 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 Policies and Procedures.

The following responsibilities are delegated to other staff in addition to the Headteacher and Director of Business and Finance:

### **Budgets / Budgetary Control**

**7.1** Senior Curriculum Leaders and other budget holders are responsible for reviewing the budgets delegated to them and for reporting any errors or irregularities to the Director of Business and Finance. Any actual or potential overspends must also be reported to the Director of Business and Finance.

### **Purchasing**

**7.2** Budget Holders must authorise order requests before passing them to the finance office for processing. Order requests must be within the scope and remaining balance of their delegated budget.

**7.3** The following members of staff are authorised to receive and check goods:

- Budget Holders
- Administrators nominated by the budget holder
- Finance Assistants nominated by the Director of Business and Finance

### **Payroll**

**7.4** Senior Curriculum Leaders can certify time sheets for additional hours worked by staff in their curriculum area, provided that prior approval for these additional hours has been obtained from the Headteacher.

## 6 Summary of Financial Authorisation Levels

Delegated Duty	Value	Delegated Authority	Method
Ordering goods and Services (raising requisitions)	Up to £5,000	Director of Business and Finance, actioning request from Budget Holder	Selection from preferred suppliers – obtain quotation
	£5,000 to £10,000	As above plus Headteacher	Selection from preferred suppliers – obtain quotation
	£10,000 to £30,000	As above plus Chair of Resources Committee or Chair of Governors	Obtain 3 quotations
	Over £30,000	Governing Body	Formal tendering process
Signatories for cheques, BACS payment authorisations and other bank transfers	Up to £2,000	Any two bank signatories	
Signatories for cheques, BACS payment authorisations and other bank transfers	Over £2,000	Headteacher or Deputy Headteacher (NCL) plus any other bank signatory	
Virement of budgets between budget heads	Up to £10,000	Headteacher	Schedule provided by Director of Business and Finance
	£10,000 to £30,000	Resources Committee	
	Over £30,000	Governing Body	
Disposal of assets	Up to £5,000	Resources Committee	
	£5,000 to £20,000	Above plus Governing Body	
	Over £20,000	As above plus EFA approval required where assets funded with more than £20,000 of EFA grant or transferred from an LA at nominal consideration	Review to reflect latest funding agreement and Academies Financial Handbook
Write Off of bad debts	Up to £45,000	Governing Body	
	Over £45,000	As above plus EFA approval	Review to reflect latest funding agreement and Academies Financial Handbook
Purchase or sale of any freehold property	Any	EFA approval required	
Granting or take up of any leasehold or tenancy agreement exceeding three years	Any	EFA approval required	
Raising invoices to collect income	Up to £5,000	Director of Business and Finance	
	£5,000 to £10,000	As above plus Headteacher	
	Over £10,000	As above plus Resources Committee	

