

SCHEME OF DELEGATION

Key:

Responsible Officer	UKHY (Trust auditors)
SAAF	SAAF Education Finance Solutions
Accounting Officer	Interim Chief Executive Officer

1. Introduction

The Board of Directors recognises that it is ultimately responsible for the financial management of the academies within the trust and has produced this scheme of delegation to help it fulfil those responsibilities.

2. Organisation

In view of the importance and complexity of financial management in the Trust, the Board of Directors has established an Audit and Finance Committee to enable due consideration to be given to all financial matters.

The Board of Directors has delegated a number of its powers to the Audit and Finance Committee (details of roles and responsibilities are set out later in this scheme of delegation). The Audit and Finance Committee members are:

- Mr Tony Wood
- Mr Mike Adnitt
- Mrs Jayne Robb
- Mr Andy Child

The Chair of the Committee is elected by the full Board of Directors in September each year.

The Committee plans to meet at least three times per year:

Autumn term

To receive the Accounting Officer's quarterly report, receive the external auditor's interim management report and review the risk register;

Autumn term 2

To approve the Income and Expenditure outturn from the previous financial year, the annual report and financial statements for submission to DfE, receive the Responsible Officer's (Auditors) quarterly report and review the budget monitoring report;

Spring term

Approval of interim Income and Expenditure Monitoring report, receive the Responsible Officer's quarterly report and review the budget monitoring report;

Summer term

Approval of projected outturn report for the current year and finalised Income and Expenditure budget for forthcoming year for submission to DfE, confirm that audited accounts for previous financial year have been filed with Companies House and receive the Responsible Officer's quarterly report.

The Committee will report, and make recommendations, to the full Board of Directors. Minutes of each Committee meeting will be presented to the next meeting of the full Board of Directors.

Committee members will be required to maintain strict confidentiality with respect to payroll and other sensitive information presented to them.

3. Roles and Responsibilities

The Board of Directors recognises the importance of Directors, Audit and Finance Committee members, the Headteachers, Bursar and staff being clear about their respective roles and responsibilities with regard to the financial management of the Trust. This section sets out those roles and responsibilities.

The Board of Directors will:

- Ensure that a scheme of delegation has been established which records in writing, the roles and responsibilities of the Audit and Finance Committee, Chair of board of Directors and other individuals

Review the scheme of delegation on an annual basis

Establish an Audit and Finance Committee to ensure that the financial affairs of the West Grantham Academies Trust are overseen in appropriate detail and with sufficient frequency;

- Ensure that a Bursar has been appointed to undertake to role of Principal Finance Officer for the Trust;
- Ensure that an Accounting Officer has been appointed to provide ongoing assurance that financial responsibilities are being discharged properly;
- Appoint an external auditor and ensure that an external audit is conducted annually;
- Ensure that arrangements are in place for an Annual Report and Accounts to be produced, independently audited and published as required by the Companies Act and are filed with Companies House and the Charities Commission within the required timescale;
- Ensure that a Register of Business Interests and Conflicts of Interests has been compiled and is kept up-to-date;
- Give consideration to major risks and the responses required to mitigate them;
- Ensure that a risk register has been produced to record risk management processes and that this is updated annually;
- Ensure that the internal Financial Procedures are established and documented in a manual approved by the Board of Directors;
- Contact the Education Funding Agency and seek approval to overspend where this seems unavoidable
- Authorise the Trust's applications for loans

- Satisfy itself that the Audit and Finance Committee and Accounting Officer are fulfilling their responsibilities as set out in this scheme of delegation
- Establish the Trust's charging policy and review on an annual basis
- Review the financial training needs of Directors and staff on an annual basis and fund training needs, as appropriate.

The Audit and Finance Committee members will:

- Ensure that the Trust complies with the DfE Master Funding Agreement;
- Ensure that the Trust complies with The Academies Financial Handbook produced by the DfE;
- Approve The West Grantham Academies Trust Financial Regulations Manual and scheme of delegation and familiarise themselves with their roles and responsibilities;
- Contact the Education Funding Agency for advice in relation to leasing arrangements, as appropriate;
- Produce a timetable of meetings at the start of the year outlining their key purpose
- Approve the draft annual budget papers prepared by SAAF and the Bursar.
- Approve the draft medium term finance plan prepared by SAAF and the Bursar.
- Consider budget monitoring reports produced by SAAF and the Bursar throughout the year
- Ensure that the Trust has a list of certifying officers for the purpose of signing cheques, certifying employee claims etc, and review this on an annual basis;
- Recommend the appointment of an auditor to the full Board of Directors:
- Appoint an Accounting Officer to monitor and check the operation of the Trust's financial management arrangements on its behalf;
- Agree a programme of checks to be performed by the Accounting Officer and receive the Officer's quarterly report
- Act as the Audit Committee for the Trust and ensure that audit recommendations are implemented within a reasonable timescale;
- Use management information to challenge the way in which the Trust uses its financial resources.
- Ensure that the Trust does not overdraw its bank account;

- Report to the full Board of Directors;

The Accounting Officer will act for the Trust under the conditions of the Master Funding Agreement:

Be personally responsible to the Board of Directors for ensuring:

- Regularity – ie dealing with money in accordance with applicable legislation, authorities and rules;
- Propriety – which is concerned with fairness and integrity, such as avoidance of personal gain, even handedness in the appointment of staff and open competition in contracts;
- Economic and effective use of resources – ie ensuring value for money.
- Familiarise his/herself with this scheme of delegation and his/her role and responsibilities
- Authorise the purchase of goods and services concerned with new initiatives, capital projects and educational visits abroad;
- Authorise transactions/processes within the Trust's financial system up to limits agreed by the Board of Directors.
- Act as an authorised signatory for the purposes of signing cheques, BACS payment runs, certifying employee claims, etc
- Review reconciliations and returns on a regular basis and initial documents as evidence that such checks have been carried out
- Agree virements up to his/her authorised limit
- Nominate the Interim Chief Executive Officer to assist in carrying out these responsibilities as appropriate.

The Accounting Officer will:

- Provide an independent oversight of the Trust's financial affairs;
- Provide assurance to the Board of Directors that:
 - financial responsibilities are being properly discharged,
 - resources are being managed in an efficient, economical and effective manner;
 - sound systems of internal financial controls are being maintained;
 - financial considerations are fully taken into account in reaching decisions.
- Ensure that the conditions of the DfE grant and the financial procedures the DfE required of academies are being followed;
- Carry out checks of the financial system and sample checks of transactions;
- Produce written reports of his/her findings and recommendations for the Audit and Finance Committee.

The Interim Chief Executive Officer will:

- Familiarise themselves with this scheme of delegation and their role and responsibilities
- Authorise the purchase of goods and services concerned with curriculum provision within the authorised academy;
- Act as an authorised signatory for the purposes of authorising requisitions for orders and certifying employee claims etc within the authorised academy

The Bursar and SAAF will:

- Act as the Principal Finance Officer for the Trust;
- Attend the meetings of the Audit and Finance Committee;
- Be responsible for guiding the Board of Directors on financial, audit and charity matters as well as dealing with the day to day management of the Trust's financial position and the maintenance of effective controls;
- Recognise where external support is required and seek this where appropriate;
- Draft budget papers;
- Draft original and revised finance plans;
- Ensure that Development Plan priorities are properly costed and linked to the Trust's budget and finance plan;
- Monitor the budget on a monthly basis;
- Oversee the day-to-day running of the Trust's financial administration and ensure that the DfE timetable for financial reporting is adhered to;
- Ensure that proper checks and controls are in place to cover day-to-day activities;
- Ensure VAT is correctly accounted for (task completed by the Finance Administrator);
- Ensure CIS is correctly accounted for;
- Ensure an Asset Register is maintained and depreciation correctly accounted for (task completed by the Finance Administrator);
- Ensure that any budgets that are delegated to senior staff or departments operate within a similar control regime, i.e., with regard to budget monitoring and reporting etc;
- Ensure that accounting records using the Trust's financial package are maintained;
- Ensure that transactions/processes within the Trust's financial system up to limits agreed by the Board of Directors are carried out;

- Ensure that the DfE timetable for completion of bank and other reconciliations is adhered to;
- Ensure that purchase orders are raised prior to ordering goods/services, wherever possible, to aid effective budget monitoring and management – see the Trust Financial Regulations Manual for possible exemptions;
- Ensure that payments are made to suppliers within 28 days of the date of the invoice and authorise payments by BACS;
- Ensure that, where appropriate, claims for sickness absence scheme are made promptly and no later than 1 month after the relevant period;
- Authorise the setting up of suppliers on the financial management system (task completed by the Finance Administrator) ;
- Authorise the payment of suppliers through the financial management system;
- Act as an authorised signatory for the purposes of signing requisitions for orders, cheques, BACs payment runs, certifying employee claims, etc.

The Bursar will:

- Assist SAAF with the preparation of the budget as appropriate;
- Assist SAAF with monitoring the budget as appropriate;
- Maintain the accounting records using the Trust's financial package;
- Carry out transactions/processes within the Trust's financial system up to limits agreed by the Board of Directors;
- Contact the Finance Package helpdesk with any concerns or queries regarding the operation of the finance package as appropriate;
- Prepare pay claims etc for payment;
- Assist SAAF with the maintenance of the Trust Asset Register (task completed by the Finance Administrator);
- Monitor payroll processes and liaise with the external payroll contractor regarding the correction of any errors;
- Carry out journal transactions on the finance system as necessary, eg payroll journals.
- Act as an authorised signatory for the purposes of signing cheques and BACs payment runs.

The Finance Administrator will

- Maintain the accounting records using the Trust's financial package;
- Carry out transactions/processes within the Trust's financial system up to limits agreed by the Board of Directors;
- Contact the Finance Package helpdesk with any concerns or queries regarding the operation of the finance package as appropriate
- Maintain supplier records on the finance system;
- Raise purchase orders prior to ordering goods/services, wherever possible, to aid effective budget monitoring and management (see Trust Finance Handbook for possible exemptions);
- Process invoices for payment;
- Prepare payment runs by BACS ready for authorisation;
- Process approved petty cash claims for payment;
- Be responsible for cash handling and banking cash collected and reconciliation of monies paid via WisePay.

4. Authorisation Limits

Authorisation Limits for Purchase Orders

Interim Chief Executive Officer	£2,500
Chair of Directors	£2,500

Authorisation Limit for Payment of Non Order Invoices

While it is recommended that wherever possible orders should be placed through the financial management system it is recognised that there are occasions where it is not always possible to do this, eg where repairs are required and it is not possible for the cost to be estimated in advance. To allow for this authorisation is given for the processing of non-order invoices up to a value of £1,000 with the approval of the Interim Chief Executive Officer.

5. Virement Limits

Virements as per authorisation limits above.

6. Depreciation of Assets

Assets with a purchase value of £1,000 and over will be depreciated in the Trust accounts using the straight line method of depreciation. This includes the purchase of 'sets' of furniture/computers where an individual piece has a value less than £1,000 but the class set has a value greater than £1,000.

Assets will be depreciated over the following periods:

Computing Equipment – 3 years
Furniture, Fixtures and Equipment – 5 years

Vehicles – 5 years
Major Refurbishment Projects for Existing Buildings – 10 years
Freehold Buildings – 50 years
Leasehold Land and Buildings – for the remainder of the 125 years

7. Bank Accounts

Cheque payments from the Trust bank account must be signed by two authorised signatories. At the present time these signatories are:

The Accounting Officer
The Bursar

BACS payment runs must be authorised by two signatories through the Lloyds link system.

Transfers between bank accounts should be signed off by two signatories prior to being arranged with the bank by the Bursar.

8. Debit Cards

It has been agreed that the Accounting Officer may have debit cards for the Trust Current Account. This card will be kept in the safe in the Trust office and will only be issued for use for specific purposes and used in accordance with the Debit and Charge card policy.

Charge Cards may be issued for named members of staff at the discretion of the Accounting officer where a particular need is perceived for these, eg for use on a foreign visit. Limits will be set for such charge cards as appropriate depending on the nature of the visit.

Debit and Charge cards must be used in accordance with the Trust Debit and Charge Card Policy which will be reviewed annually.

9. Training

The Board of Directors recognises the importance of financial training for Directors and staff in helping them to fulfil their responsibilities in relation to the financial management of the school.

The training needs of all Directors and staff will be reviewed each year. Appropriate budgetary provision will be made, where necessary, and Directors and staff will be actively encouraged to undertake that training.

10. Budget setting

The Board of Directors recognises the importance of setting a detailed budget at the start of the year.

The Bursar and SAAF will draft a detailed budget for each line of income and expenditure in accordance with the timeframe specified by the DfE. It is recommended that the budget is re-evaluated each year (as opposed to, say, incremental budgeting) for the Finance and Strategy Committee's consideration and approval.

The Interim Chief Executive Officer, Bursar and SAAF will include options for increased spending, as set out in the Trust's Development Plan, and options for cost-cutting measures, where appropriate.

11. Budget monitoring

The Board of Directors recognises the importance of regular budget monitoring in helping to detect accounting errors and identify, as early as possible, potential under and overspendings.

The Interim Chief Executive Officer will monitor the budget on a monthly basis by reviewing reports from the Trust's financial system for:

- errors
- miscodings
- large or unusual items
- potential underspendings or overspendings against budget

and act promptly, where appropriate.

12. Financial Administration

The Board of Directors recognises the importance of proper financial administration to safeguard against inaccuracies and out of date information being used to make erroneous financial decisions in the Trust.

The Interim Chief Executive Officer will monitor the financial administration functions carried out by the Bursar and Finance Administrator, ensuring that:

- accounting systems are kept up-to-date
- bank reconciliations, etc are completed in a timely manner each month;

13. Reporting

The Board of Directors recognises the importance of receiving detailed, accurate and up-to-date financial information to enable it to oversee and control the financial position of the school.

The Bursar and SAAF will prepare budget-monitoring reports for consideration by the Audit and Finance Committee.

14. Financial planning

The Board of Directors recognises the importance of financial planning beyond the current year.

SAAF will prepare a financial plan covering the next five years.

The plan will show the projected numbers on roll and the impact this would have on the Academies' GAG expenditure and carry forward.

The plan will include contingency plans, setting out the school's proposals for dealing with variations including, in particular, changes in the projected number on roll.

The Board of Directors will consider the impact that the medium term finance plan may have upon staffing levels and develop outline plans and strategies for avoiding redundancy costs for future years.

15. Cash flow management

The Board of Directors recognises the importance of cash flow management in helping the Trust to avoid overdrawing its bank account.

SAAF will produce a cash flow report at the beginning of the financial year and monitor and update it on a regular basis.

16. Audit

As a company limited by guarantee the Trust is required to have an external audit annually. The Board of Directors is responsible for appointing the external auditors. The Responsible Officer (RO) is appointed by the Board of Directors and provides Directors with an independent oversight of the Trust's financial affairs.

The Chair of Board of Directors will ensure that audit recommendations are implemented as soon as possible.

SAAF and Chair of Board of Directors will familiarise themselves with the procedures set out in the Academies Financial Handbook, which give guidance on best practice, internal controls and statutory requirements.

17. Annual timetable

The Board of Directors recognises the importance of planning its financial management work throughout the year.

SAAF will draw up an annual timetable of key events which will be incorporated into the calendar of monitoring and review submitted annually to the full Board of Directors last meeting in each financial year.

18. Review

The Board of Directors recognises the importance of keeping its Scheme of Delegation up-to-date and will review the policy on an annual basis.