

SCHEME OF DELEGATION

made between

DALES ACADEMIES TRUST

and

THE LOCAL GOVERNING BODY OF **XXX ACADEMY**

EFFECTIVE DATE: 1 November 2017

**Approved by Dales Academies Trust Finance & Resources
Committee:**

**Issued: April 2018
Next Review Due: Dec 2019**

This document will be updated annually alongside the Trust Scheme of Delegation

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THIS **FINANCIAL SCHEME OF DELEGATION** (which in this document is referred to as the "Scheme"), which replaces all previous such documents, is made on xxxx between:

- (1) **DALES ACADEMIES TRUST**, a company limited by guarantee and registered in England and Wales under company number 08372064 (the "Company"); and
 - (2) **THE LOCAL GOVERNING BODY** of xxxx (the "Local Governing Body")
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1. INTRODUCTION

The framework within which the Company operates is set out in its Memorandum & Articles of Association, which gives the Directors of the Company, known as Trustees, who form the Board of Trustees, the power to delegate responsibilities to the Local Governing Bodies. The Company is responsible for the operation of its Academies as currently listed on its website.

The Company's Organisation Structure (see Appendix 1) is based on the principles that:

The Members of the Company define the object, purposes and ethos of the Company. They have a duty to ensure that the Company exercises its powers well in delivering its objects.

- 1.1 The Trustees have overall responsibility and ultimate decision making authority for all the work of the Trust, including the running of academies. This is exercised through strategic planning, monitoring of budgets, performance appraisal, the setting and monitoring of standards and the implementation of quality assurance processes. The Trustees have the power to direct change where required to ensure that the object, purpose and ethos of the Company are met.
- 1.2 The Trustees delegate their responsibilities for aspects of work of each Academy to a Local Governing Body (LGB) through a Scheme of Delegation (the Scheme). Key responsibilities for LGBs will remain at a strategic rather than operational level. The Articles of Association of the Company define the LGBs as advisory committees of the Board of Trustees. This document sets out how finance responsibilities are delegated and should be read alongside the Company's Scheme of Delegation.
- 1.3 The Executive Team is the executive arm of the Board under the direction of the Chief Executive Officer. Its principle functions are:
 - 1.3.1 To direct and support the operation of each Academy, developing strategic plans and policies in core areas of the operation in accordance with the direction of the Trustees. These include: teaching and learning, training, finance, risk, HR and ICT. The Executive Team specifies management controls and reporting requirements, audits the associated processes, procedures and outcomes in each Academy, identifies processes, procedures and outcomes in each Academy, identifies and delivers appropriate training and support.

1.3.2 To report to the Trustees on the operations of the Company in pursuance of the objects.

2. FINANCIAL POWERS AND DUTIES RESERVED FOR THE MEMBERS

The Members, who will meet no less than once per year (at the Annual General Meeting of the Trust) will, on behalf of the Company:

- 2.1 approve the annual audited Report and Financial Statements within required timescales, considering the recommendations of the Trustees
- 2.2 remove auditors, if necessary, "within their term of office" by majority vote and advise the Trustees accordingly.

3. FINANCIAL POWERS AND DUTIES RESERVED FOR THE TRUSTEES

In exercising its financial responsibilities, the Trustees are responsible for:

- 3.1 Approval of a written Financial Scheme of Delegation of its financial powers and duties to its Finance & Resources Committee, the CEO, LGBs, Headteachers/Principals and other staff. The scheme must satisfy the Company's ultimate responsibility for ensuring that there are adequate operational controls in place for all the financial processes within the Academies. The Financial Scheme of Delegation should be operated in conjunction with the Financial Regulations of the Company (contained in the Finance Policy).
- 3.2 Formally approving the annual consolidated Academy budget in accordance with the requirements of the Education Skills & Funding Agency.
- 3.3 Considering budgetary control reports from the Finance & Resources Committee at every meeting, with relevant explanations and documentation where required.
- 3.4 Ratification of all transfers in excess of £50,000 between budget headings. Details of all transfers approved and authorised by the Finance & Resources Committee are to be formally notified to the Trustees.
- 3.5 Maintenance of a Register of Business Interests for all members of Governance and those Academy staff with financial responsibilities.
- 3.6 Authorisation of the advertising of tenders above £75,000, and authorising the award of such tenders.
- 3.7 Tenders, other than the most financially favourable, or late tenders, can only be accepted by the Trustees who shall minute the reasons for their decision.
- 3.8 Authorisation of the write off of debts not collectable (the Secretary of State's prior approval is also required if debts to be written off are above the value set out in the Academies Financial Handbook)
- 3.9 Authorisation of the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with an original purchase value in excess of £5,000.
- 3.10 Appointment of external auditors. (Removal of auditors within their "term of office" must be approved by the Members).

- 3.11 Reviewing the draft financial statements prior to audit and approval of the audited financial statements prior to confirmation by the Members and submission to the ESFA in the required timescale.
- 3.12 Receiving the reports of the external auditor.
- 3.13 Receiving the reports of the Finance & Resources Committee on the use of resources, systems of internal financial control, and discharge of financial responsibilities.
- 3.14 Informing the DFE if it suspects any irregularity affecting resources.
- 3.15 The Trustees shall ensure that the proper procedures are put in place for the safeguarding of funds and that the requirements of the Academies Financial Handbook are observed at all times as well as any requirements and recommendations of the Trustees and Secretary of State.

4. FINANCIAL POWERS AND DUTIES DELEGATED TO THE DALES ACADEMIES TRUST FINANCE & RESOURCES COMMITTEE

The Finance and Resources Committee will meet at least three times per year and shall be responsible for:

- 4.1 Exercising the powers and duties of the Trustees in respect of the financial administration of the Academy, except for those items specifically reserved for the Trustees, and will oversee those delegated to the LGB, CEO, Headteacher/Principal and other staff.
- 4.2 Reporting on decisions taken under delegated powers to the next meeting of the Board of Trustees.
- 4.3 Reviewing the annual budgets of the Company and the Academies prior to the start of each financial year and recommending its acceptance, or otherwise to the Trustees.
- 4.4 Considering budgetary control reports on the Academy's financial position at every meeting, taking appropriate action to contain expenditure within the budget and report to the Trustees.
- 4.5 Reviewing the virement of sums between budget heads, subject to delegated limits, as approved and authorised by the CEO, Headteacher/Principal, Chief Finance Officer and Director of Finance, which are to be formally notified to the Finance & Resources Committee who shall minute the notification.
- 4.6 Report to the Trustees all significant financial matters and any actual or potential overspending.
- 4.7 Authorising the award of orders and contracts over £50,000 and up to £75,000.
- 4.8 Ensuring that arrangements for insurance cover are in place and adequate.
- 4.9 Ensuring that there are annual independent checks of assets and the asset register.
- 4.10 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 LGB.
- 4.11 Authorising permanent changes to the Academy's staff establishment subject to 9.3 below.
- 4.12 Reviewing the draft financial statements and highlighting any significant issues to the Trustees, prior to submission to the Secretary of State by 31 December.
- 4.13 Authorising the tender process in excess of £75,000 and ensuring procedural responsibilities are maintained.

5. FINANCIAL POWERS AND DUTIES RESERVED FOR THE LOCAL GOVERNING BODY (LGB)

- 5.1 In acknowledgement of the receipt by the Trustees of funds in relation to the Academy; provided by the Secretary of State, donated to the Company and generated from the activities of the Company, the Trustees will delegate to the LGBs the responsibility to monitor the expenditure of all monies received on account of the Academy for the purposes of the Academy – reporting to the Trustees as necessary. Whilst the LGB shall have the power to enter into contracts on behalf of the Trust in so far as they relate to the Academy, the LGB shall first obtain the written consent of the Trustees to any contracts or expenditure above £25,000
- 5.2 The accounts of the Trust shall be the responsibility of the Trustees but the LGB shall provide such information about the finances of the Academy as often and in such format as the Trustees shall require.
- 5.3 The LGB shall inform the Trustees of any need for significant unplanned expenditure and will discuss with the Trustees (and others as the Trustees shall require), options for identifying available funding.
- 5.4 Formally recommending the annual Academy budget for presentation to and approval by the Trustees.
- 5.5 Considering budgetary control reports from the Finance & Resources Committee, with relevant explanations and documents where required.

6. FINANCIAL POWERS AND DUTIES DELEGATED TO THE CHIEF EXECUTIVE OFFICER/ACCOUNTING OFFICER

- 6.1 Authorising orders and contracts up to £75,000 in conjunction with Budget Holders.
- 6.2 Authorising virements between budget headings up to £50,000
- 6.3 Approving all salary amendments (with the Headteacher/Principal) and any additional appointments to staffing establishment constituting minor variation (i.e. +1 appointment except in exceptional circumstances) subject to reporting to Finance & Resources Committee and their approval for further appointment or limits.
- 6.4 Approving the addition of budget headings with funding of up to £10,000 to meet unanticipated expenditure subject to reporting to and review by the Finance & Resources Committee.
- 6.5 Overseeing the operation of financial processes within the Academy, ensuring that adequate operational controls are in place and that the principles of internal control are maintained.
- 6.6 Authorising the advertising of tenders in excess of £75,000 and reporting to the Finance & Resources Committee.

7. FINANCIAL POWERS AND DUTIES DELEGATED TO THE HEADTEACHER/EXECUTIVE HEADTEACHER/HEAD OF SCHOOL/PRINCIPAL/ASSOCIATE HEADTEACHER

The Headteachers/Principals have delegated powers and functions in respect of internal organisation, management and control of their Academy, the implementation of all policies approved by the Trustees and for the direction of teaching and the curriculum.

The Headteachers/Principals shall be responsible for:

- 7.1 Reviewing income and expenditure reports and highlighting actual or potential overspending to the CEO, LGB and Finance & Resources Committee.
- 7.2 Approving virements between budget headings up to £10,000 and reporting such approval to the CEO, LGB and Finance & Resources Committee.
- 7.3 Authorising orders and contracts up to £25,000 in conjunction with the Chief Finance Officer.
- 7.4 Approving new staff appointments within the authorised establishment (other than the Leadership Group).
- 7.5 Ensuring that proper security is maintained at all times for all buildings, furniture, equipment, vehicles, stocks, stores, cash, information and records etc. under his/her control.

8. FINANCIAL POWERS AND DUTIES DELEGATED TO THE CHIEF FINANCE OFFICER/DIRECTOR OF FINANCE

The Chief Finance Officer shall be responsible for (in conjunction with the Director of Finance):

- 8.1 Ensuring that the annual budget plan is prepared, approved and submitted to the ESFA in accordance with deadlines.
- 8.2 Ensure that audited accounts are approved and submitted to ESFA in accordance with deadlines and published in accordance with the requirement of the Academies Financial Handbook.
- 8.3 Ensure that the provisions of the Academies Financial Handbook and other regulatory frameworks are implemented, procuring Internal Audit and similar reports as required
- 8.4 Approving virements, in conjunction with the CEO and Headteachers/Principals, between budget headings up to a value of £50,000 and reporting such approval to the Finance & Resources Committee.
- 8.5 Authorising orders and contracts over up to £5,000 in conjunction with Budget Holders.
- 8.6 Authorise expenditure up to £75,000 in conjunction with the Chief Executive Officer.
- 8.7 Authorising the advertising of tenders in excess of £75,000 and reporting to the Finance & Resources Committee.

9. FINANCIAL POWERS AND DUTIES DELEGATED TO THE ACADEMY BUSINESS MANAGERS

- 9.1 Ensuring the arrangements for collection of income, ordering of goods and services and security of assets are in accordance with the Financial Regulations.
- 9.2 Ensuring that all contracts and agreements conform to the Financial Regulations.
- 9.3 Ensuring that accurate are up to date records are maintained in order to provide financial information.
- 9.4 Ensuring that all records and documents are available for audit by the appointed external auditors and Finance & Resources Committee.
- 9.5 Authorising orders and contracts up to £2,000 in conjunction with Budget Holders.
- 9.6 Maintaining a register of formal contracts entered into, amounts paid and certificates of completion.
- 9.7 Retention of quotes obtained for goods, works and services.
- 9.8 Ensuring that all income is accurately accounted for and is promptly collected and banked intact.
- 9.9 Maintaining an appropriate register of all items of furniture, equipment, vehicles.

- 9.10 Maintaining the standards of control for such systems in operation within the Academy to include the use of properly licensed software, and for the security and privacy of data in accordance with the Data Protection Act and General Data Protection Regulations
- 9.11 In conjunction with DoF to ensure that the provisions of the Academies Financial Handbook are implemented.

10. **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.

The following responsibilities are delegated to other staff in addition to the Headteacher/Principal and Chief Finance Officer:

- 10.1 Departmental Budget Holders can authorise orders up to £1 000 provided it is within the scope and remaining balance of their delegated budget.
- 10.2 The following members of staff, in addition to the Headteacher/Principal and Chief Finance Officer, are authorised to open tenders in the presence of another authorised person:
 - i) CEO
 - ii) Deputy Headteachers
 - iii) Academies Business Manager
 - iv) Director of Operations
- 10.3 The following members of staff are authorised to receive and check goods:
 - i) Budget Holders
 - ii) Administrators and Premises Staff are nominated by the Budget Holder
- 10.4 Budget Holders can authorise time records and authorise overtime within their delegated budget.
- 10.5 Authorising the advertising of tenders in excess of £75,000 and reporting to the Finance & Resources Committee.

11. **FINANCIAL POWERS AND DUTIES RESERVED FOR THE AUDIT COMMITTEE ARE DELEGATED TO THE FARC**

11.1 **Authority**

The Audit Committee responsibilities are delegated to the FARC and acts in an advisory capacity with no executive powers. However, it is authorised by the Trustees to investigate any activity within its terms of reference, and to seek any information it requires from staff, who are requested to co-operate with the committee in the conduct of its inquiries.

This Committee is authorised to obtain independent professional advice if it considers this necessary.

11.2 **Duties**

The Audit Committee will meet at least twice a year and the specific duties of the Committee shall be to:

- 11.2.1 Review the Academy's internal and external financial statements and reports to ensure that they reflect best practice;
- 11.2.2 Liaise as appropriate with the external auditor re the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff;
- 11.2.3 Consider all relevant reports, including reports on the body's accounts, achievement of value for money and the response to any management letters;
- 11.2.4 Review the effectiveness of the Trusts internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner;
- 11.2.5 Consider and advise the Board of Trustees on the annual and long-term audit programme; Review the operation of any relevant code of practice.
- 11.2.6 Consider any other matters where requested to do so by the Board of Trustees; and report at least once a year to the Board of Trustees on the discharge of the above duties.
- 11.2.7 Consider Risk Management and the Risk Register
- 11.2.8 Review of Educational Data and External Educational Assurance Reports
- 11.2.9 Review of Governance through Skills Audit and Minutes
- 11.2.10 Review of high value contracts in respect of value for money
- 11.2.11 Review of external assurance of Safeguarding Reports
- 11.2.12 Review of Human Resources audits and internal reports
- 11.2.13 Review of policies and web compliance
- 11.2.14 Review of Health & Safety Audits
- 11.2.15 Review of SIAMS

The Finance & Resources Committee

The Board of Trustees operates a number of Committees which monitor the key Board functions. The FARC is responsible for financial and business operations management on behalf of Dales Academies Trust. It reports to the full Dales Academies Trust Board of Trustees.

Graeme Thompson	-	Chair of Finance & Resources Committee/Trustee
Damian Chubb	-	Accounting Officer/CEO
Liz Edwards	-	Trustee
Ian Juden	-	Trustee
Ashley Reed	-	Director of Finance/Chief Finance Officer
Claire Holmes	-	Finance Officer

Appendix 2. Summary of Financial Authorisation Level

	Board of Trustees	Finance & Resources Committee	Local Governing Body	Chair of Trustees and CEO	CEO	CFO/ Director Finance / Director Operations	Executive /Head Teacher / Head School/ Principal	Academy /Executive Business Managers	Academy Budget Holders	Academy Administrator
Approval of Annual Budget/3 year plan	▪									
Variations to budget heads (virements) over £50,000	▪	▪								
Variations to budget heads (virements) £10,000 to £50,000	▪	▪	▪	▪	▪	▪				
Variations to budget heads (virements) up to £10,000	▪	▪	▪	▪	▪	▪	▪	▪		
Authorise expenditure over £75,001	▪									
Authorise expenditure £25,001 - £75,000	▪	▪		▪	▪					
Authorise expenditure £5,001 - £25,000	▪	▪	▪	▪	▪	▪	▪			
Authorise expenditure £2,001 - £5,000	▪	▪	▪	▪	▪	▪	▪			
Authorise expenditure £1,001 - £2,000	▪	▪	▪	▪	▪	▪	▪	▪		
Authorise expenditure up to £1,000	▪	▪	▪	▪	▪	▪	▪	▪	▪	
Authorise Petty Cash up to £150					▪	▪	▪	▪		▪
Authorise appointment/ salary of permanent and temporary staff (other than Leadership Group)					▪		▪	▪		
Authorise appointment/ salary of CEO and HT	▪									
Authorise appointment/ salary of DHT and AHT	▪	▪	▪							
Severance Authorisations Up to £50,000	▪	▪		▪	▪					
Advertising of tenders over £75,000	▪	▪		▪	▪	▪				
Advertising of tenders under £75,000		▪		▪	▪	▪				
Authorisation of disposal of assets > £5,000	▪	▪		▪	▪	▪				
Authorisation of disposal of assets under £5,000		▪				▪	▪	▪		