

Academy@Worden

Financial Scheme of Delegation

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References: <ul style="list-style-type: none"> a. The Academies Financial Handbook b. The Business and Resources Committee's Terms of Reference c. The Audit Committee's Terms of Reference d. The approved Financial Regulations Manual (FRM) 	

Scheme of Financial Delegation

1. Introduction

Academy@Worden is governed by a Governing Body constituted under the Memorandum of Association and Articles of Association of Academy@Worden. The Governing Body is responsible for ensuring that high standards of corporate governance are established and maintained by exercising its powers and functions with a view to fulfilling a largely strategic role in the running of the academy, addressing such matters as:

- Policy development, strategic planning and target setting
- Ensuring sound management and administration
- Ensuring compliance with legal requirements
- Establishing and maintaining a transparent system of prudent and effective internal controls
- Management of the academy's financial, human and other resources
- Monitoring performance and the achievement of objectives
- Accountability and responsiveness to parents and the community
- Setting the academy's standards of conduct and values
- Assessing and managing risk

Specific areas the Governing Body will oversee include:

- Approving the academy's development plan
- Approving the policies developed by its various committees
- Approving the academy budget
- Determining the levels of expenditure to be approved by the GB itself and the levels to be delegated
- Approving in-year amendments and virements
- Determining the terms, conditions and remuneration of employees
- Approving annual reports and accounts
- Approving accommodation proposals
- Dealing with controversial, significant or unusual decisions

Many of these responsibilities will be delegated to committees or individuals, either in whole or in part, and this document specifies the decisions of the full Governing Body with regard to the finance functions it chooses to delegate to a committee or individual, what level that delegation involves and how the Governing Body is to be kept informed.

NB. Where an individual then delegates tasks to other members that individual remains accountable to the Governing Body.

2. Organisation

The individuals with responsibility for managing and administering the policies and practices outlined in the academy's approved Financial Regulations are listed below:

- a. Governing Body (GB)
- b. Business and Resources Committee (BRC)
- c. Audit Committee (AC)

- d. Head-teacher (HT)
- e. Director of Business and Finance (FD)
- f. Responsible Officer (RO)
- g. Academy Operations Manager (AOM)
- h. Budget Holders (BH)

Each plays a different role in ensuring the necessary separation of duties, internal control and audit trail are maintained at all times and specific approval levels have been delegated to each of them by the Governing Body.

3. Compliance

The Schemes of Delegation detailed in this document were approved by the Full Governing Body on 18th July 2013 and have subsequently been read and understood by the following staff, who are responsible for ensuring that any and all of their direct reports are aware of, and are complying with, the regulations contained within:

Title	Name
Head teacher	Mr C Catherall
Deputy Head teacher	Mr A Hammersley
Director of Business & Finance	Mr MJ Reed
Responsible Officer	Mr P Buck
Assistant Head teacher	Mr D Blackledge
Assistant Head teacher	Mrs L Wood
Academy Operations Manager	Mrs L Finley

These delegations identify the limits of what each individual can approve or action and they must not be breached under any circumstances.

In addition it has been agreed that in someone's absence, the Head Teacher, Chair of Governors, or Chair of the Business and Resources Committee can appoint a suitable deputy to cover that person's duties.

This policy will be reviewed annually by the Governing Body BRC Committee.

Financial Scheme of Delegation

KEY: GB – Governing Body, BRC – Business and Resources Committee, AC – Audit Committee, HT – Head teacher, FD – Director of Business & Finance, RO – Responsible Officer, AOM – Academy Operations Manager, BH – Budget Holders

		GB	BRC	AC	HT	FD	AOM	BH
1.	<p>Ensure that the Academy meets legislative and other key regulations in terms of financial control and management, including:</p> <ul style="list-style-type: none"> Academy Funding Agreement with EFA Academy Financial Handbook The approved Finance Regulations Manual The approved Staff Handbook Companies legislation Charities legislation Ensuring the EFA grant is used only for the purposes intended 	√			√			
2.	<p>Staff appointments:</p> <ul style="list-style-type: none"> Head teacher, Director of Business and Finance & Deputy Head Assistant Head teachers Other teaching staff Other non-teaching staff 	√ √			√	√		
3.	Consider and approval any proposed changes to the agreed establishment structure	√						
4.	Ensure up-to-date terms of reference are in place for Governing Body Committees and that these are understood and adhered to.	√						
5.	Ensure an up-to-date Register of Interests is maintained.	√						
6.	Complete and submit the initial Financial Management and Governance Self-Evaluation (FMGS) return to EFA.				√			
7.	Produce and implement an action plan in response to the FMGS return					√		
8.	Appoint a Responsible Officer and agree the checks to be made	√						

		GB	BRC	AC	HT	FD	AOM	BH
9.	Review the RO reports	√		√				
10.	Produce and implement an action plan in response to the RO report and recommendations					√		
11.	Produce and implement an action plan in response to the annual Audit report recommendations					√		
12.	Receive the annual audit report and recommend its approval to the members	√						
13.	Authorise any changes to: <ul style="list-style-type: none"> • The approved Financial Regulations Manual • The approved Financial Scheme of Delegation • The approved School Handbook 	√						
14.	Approve investment arrangements and restrictions	√						
15.	Ensure adherence to all approved policies and regulations	√	√	√	√	√	√	√
16.	To take action where fraud and financial irregularity is suspected or identified	√						
17.	Authorising changes to approved signatories	√						
18.	To develop, agree, police and review key financial policies, including: <ul style="list-style-type: none"> • Whistleblowing policy • Lettings policy • Schools trip policy • Pay policy • Charging policy 	√	√		√	√		
19.	To agree the appropriate level of governors expenses	√						
20.	Systems Access and security: <ul style="list-style-type: none"> a) Ensuring passwords are kept secure and are changed quarterly b) Setting FMS6 access levels for any staff using the system 					√		

		GB	BRC	AC	HT	FD	AOM	BH
21.	Ensuring effective back-up procedures are in place					√		
22.	Obtain and review system reports to ensure that all transactions are appropriate, regular and adhere to the Financial Regulations Manual: a) Weekly audit trails b) Master file reports (payroll, purchase/sales ledger) c) Management accounts summarising expenditure and income against budget (at budget holder level)						√	
23.	Reporting the outcomes of the above report checks to the FD						√	
24.	Review and sign all above report checks as evidence of their review				√	√		
25.	Ensuring the following reconciliations are performed each month: a) Sales and purchase ledger control account b) Payroll control account c) Reconciling bank statements						√	
26.	Reporting the outcomes of the above reconciliation check to the FD						√	
27.	Review and sign all reconciliation reports as evidence of their review				√	√		
28.	Development Plan (short to medium term): a) Draw up the 1/3 year financial development plan b) Initial approval of the 1/3 year financial development plan c) Approval of the 1/3 year financial development plan	√	√		√	√		
29.	Development Plan (medium to long term): a) Draw up the 3/5 year financial development plan				√	√		

		GB	BRC	AC	HT	FD	AOM	BH
	b) Initial approval of the 3/5 year financial development plan	√	√					
	c) Approval of the 3/5 year financial development plan							
30.	Annual Budget:							
	a) Draw up the draft annual budget				√	√		
	b) Initial approval of the draft annual budget	√	√					
	c) Full approval of the annual budget					√		
	d) Submission of approved budget to EFA each year							
31.	Monitoring and Review:							
	a) production and analysis of monthly reports to budget holders					√		
	b) monitoring of actual expenditure and income against budget		√		√	√	√	
	c) monitoring and maintaining up-to-date Cash Flow Forecasts		√		√			
	d) production and presentation of monthly reports to HT and BRC	√	√	√	√	√		
	e) ensure annual accounts are produced in accordance with Companies Act, Charities Commission and DfE/EFA regulations							
32.	Risk Management:							
	a) Reviewing insurance cover in light of a risk assessment				√	√		
	b) Ensure all risks and issues are identified and documented as part of the academy's Risk Management strategy	√	√	√	√	√		
		√	√	√	√	√		
	c) Ensure a disaster recovery plan is in place to deal with the loss of accounting facilities or financial data.							
33.	Agree financial reporting arrangements	√						

		GB	BRC	AC	HT	FD	AOM	BH
34.	Produce and present the agreed financial reports					√		
35.	To exercise budget virement decisions: a) Up to the value of £5,000 b) Up to the value of £20,000 c) Over £20,000				√			
36.	To write off Debts under the levels delegated by the Secretary of State (as detailed in the Financial Handbook)	√						
37.	To agree any severance or unusual payments under the levels delegated by the Secretary of State (as detailed in the Financial Handbook)	√						
38.	Personnel administration: a) Maintain personnel files for all members of staff b) Action approved personnel changes					√ √		
39.	Administration of payroll: a) Check monthly payroll statement provided by LCC against the , SIMs.net and FMS6 system records b) Create and maintain a file for each member of staff detailing salary, personnel details, bank details etc.					√ √		
40.	Payments: a) Reconcile payroll payments against profile b) Check and authorise the release of payroll payments c) Annual reconciliation of gross actual pay crosschecked against contract of employment for each member of staff.				√	√ √ √		

		GB	BRC	AC	HT	FD	AOM	BH
41.	To incur one-off commitments and purchases: a) Up to £500 b) Up to £5,000 c) Up to £20,000 d) Over £20,000 (NB. formal tendering procedures apply) e) Over £173,934 (@ 2012), when OJEU rules apply	√	√		√			√
42.	To obtain three written quotations for purchases that exceed £3,000	√	√	√	√	√	√	√
43.	To agree to contracts of up to 60 months duration where the total commitment is less than £5,000				√			
44.	To agree to contracts of up to 60 months duration which <u>include</u> the ability to review and terminate annually: a) £10,000 or less b) Over £10,000	√	√					
45.	To agree to contracts of over 12 months duration which <u>do not include</u> the ability to review and terminate annually	√						
46.	To agree to 'operating' leases of up to 5 years duration. <i>NB. leases for over 3 years that are land related require prior approval of the Secretary of State.</i>	√						
47.	Manage and co-ordinate all tendering arrangements					√		
48.	Custody: a) Issue official academy receipts for all cash & cheques received. b) Keep all cards, readers, cash and cheques in the academy safe c) Ensure monies are banked in their						√ √ √ √	

		GB	BRC	AC	HT	FD	AOM	BH
	entirety every week.							
	d) Reconcile after each banking for review & certification by FD							
49.	Safe:							
	a) Agree and maintain access rights and levels					√		
	b) Ensure contents never exceed the insured limit of £1,000					√	√	
50.	Banks Accounts:							
	a) Authorising opening, closing or changing a bank account	√						
	b) Agreeing signatories	√						
	c) Approving transfers between accounts (including for investment purposes, as per the agreed FRM)				√	√		
51.	Ensure all payments and withdrawals include the signatures of two of the authorised signatories.					√	√	
52.	Ensure bank statements are received and reconciled every month					√	√	
53.	Manage Petty Cash in line with the Financial Regulations Manual					√	√	
54.	Maintaining and updating the Asset Register, in line with the FRM						√	
55.	Manage the security and loan of assets, in line with the FRM					√	√	
56.	Write off bad debts:							
	a) With a value of £500 or less				√			
	b) With a value of £501 or more			√				
57.	Approve the disposal of assets:							
	a) With a residual value of £5,000 or less				√			
	b) With a residual value of £10,000 or		√					

		GB	BRC	AC	HT	FD	AOM	BH
	less	√						
	c) With a residual value of over £10,000							
	NB. DfES approval is required for the disposal of any asset for which a capital grant in excess of £20,000 was paid by the DfE/EFA.							
58.	Reporting & Approval of Related Party Transactions							
	a) Transactions below £20000 must be approved by the GB and be reported to the ESFA in advance of the transaction	√						
	b) Transaction above £20000 must be approved by the GB and also approved by the ESFA, prior to transaction.	√						