

Scheme of Delegation

Finance



Scheme of Delegation - Finance

Management log

Document name	Scheme of Delegation - Finance
Author	Alison Ingram
Date approved	4 May 2017 – approved by Nova Board of Directors
Date issued	4 May 2017
Date of review	May 2019
Reviewer	Company Secretary

Document history

Version	Date authored	Author	Date approved	Date issued
V1	3 April 2017	Alison Ingram, CSE		
V2		Director/ Exec Review	21 April 2017	
V3		Steve Orton, VCFO Review	24 April 2017	
V3		Alison Ingram, CSE	25 April 2017	
V4		Alison Ingram, CSE	27 April 2017	4 May 2017

Terms of Reference

The Trust Board

The Nova Education Trust Board of Directors (Trustees) are accountable in law for all major decisions about their academies. The Board has wide discretion over its use of the Trusts funds. It is ultimately responsible for the proper stewardship of those funds and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money. It must also ensure that it uses its discretion reasonably, and takes into account any and all relevant guidance on accountability and propriety.

It is specifically responsible for ensuring that the Trust's funds are used in accordance with: the law; the Trust Board's powers under the Funding Agreement (including the Articles of Association which set out the powers of the Trust and its governance arrangements; and the Academies Financial Handbook.

The Director's should also be aware of the statutory duties of company directors, which are set out in the Companies Act and include the duties to:

- exercise their powers only for a proper purpose
- promote the Trust's success
- exercise independent judgement
- exercise care and skill

and

- avoid conflicts of interest

The Finance Committee

The Finance Committee is a committee of the Trust Board. The Finance Committee meets at least once a term but more frequent meetings can be arranged if necessary. The main responsibilities of the Finance Committee include:

- the initial review and authorisation of the annual budget
- the regular monitoring and scrutiny of the Trust's management accounts
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the EFA guidance issued to academies
- reviewing and checking details of contracts and purchases
- authorising the award of contracts and purchases
- reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body

Accounting Officer

The Chief Executive Officer is the Accounting Officer and has overall responsibility for the academy's activities including financial activities. The accounting officer is personally responsible to Parliament and to the accounting officer of the EFA for the resources under their control. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; for ensuring value for money; and for the efficient and effective use of all the resources in their charge. Essentially accounting officers must be able to assure Parliament and the public of high standards of probity in the management of public funds.

Much of the financial responsibility has been delegated to the Chief Financial Officer but the Chief Executive Officer, through the Executive Team, still retains responsibility for:

- making new senior staff appointments within an academy, drawing on the Local Governing Body as appropriate;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the EFA guidance issued to academies;
- completion of the accounting officer's statement on governance, regularity, propriety and compliance for inclusion in the annual report;
- authorising contracts;
- advising the Finance Committee on purchases and;
- signing cheques and authorising BACs payments in conjunction with the bank mandate.

The Responsible Officer

The Responsible Officer (RO) is appointed by the Trust Board and provides governors with an independent oversight of an academy's financial affairs. The main duties of the RO are to provide the Trust Board with independent assurance that:

- the financial responsibilities of the Trust Board are being properly discharged
- resources are being managed in an efficient, economical and effective manner
- sound systems of internal financial control are being maintained and
- financial considerations are fully taken into account in reaching decisions.

The Responsible Officer will undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Trust Board. A report of the findings from each visit will be presented to the Finance Committee.

Other References

- **Regularity** means the requirement for all items of income and expenditure to be dealt with in accordance with the legislation authorising them, and any applicable delegated authority.
- **Propriety** means the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary control. This includes standards of conduct, behaviour and corporate governance.
- **Value for money** means the educational and wider societal outcomes achieved in return for the taxpayer resources received. Educational outcomes in return for the money spent are the key focus but as these may be lagged, other more immediate outcomes may be used to demonstrate value for money and cost effectiveness.

All figures given throughout are net values.

Budgeting and Reporting

Role	Value	Delegated Authority	Method	Review Period
Budget setting process		Approval required from both the Executive Head and Head of School/Head Teacher	Agree academy improvement priorities	Annual
		Approval required from both the Head of School/Head Teacher & Trust Finance Lead (VCFO)	Draft budget plan	Annual
		Approval required from both the Executive Head and Head of School/Head Teacher	Agree budget plan	Annual
		Local Governing Body	Approve budget plan for submission to the Trust Finance Committee	Annual
		Nova Education Trust Board	Approve or reject budget If the Trust require the Local Governing Body to reconsider the budget then it must provide a full explanation to the Local Governing Body of the reasons and the timescales by which an alternative budget should be provided. If the Trust has lost confidence in the ability of the Local Governing Body to set a budget it will provide a full written explanation to the Governing Body for its judgement. Under these wholly exceptional circumstances, the Executive Principal will take responsibility for recommending a budget plan to the board	Annual
Budget holders responsibilities	As per the individual budgets set	Head of School/Head Teacher, SLT and other senior managers within the Trust.	Budget monitoring is the responsibility of the budget holder and the budget must not be overspent at any time during the year unless through prior agreement from the appropriate authorisation level.	Monthly

All figures given throughout are net values.

Role	Value	Delegated Authority	Method	Review Period
Monthly Management Accounts		Head of School/Head Teacher & Trust Finance Lead	All transactions to be processed and reconciled by the academies finance staff for the timely checking and production of the monthly management accounts and governors reports as per the Financial Timetable	Monthly
Virements	Up to £10,000	Approval required from both the Executive Head and Head of School/Head Teacher	Must be disclosed to the Nova Education Trust Finance Committee	As necessary
	Over £10,001	Nova Education Trust Finance Committee	Must be approved by the Nova Education Trust Finance committee	As necessary
EFA Reporting		Executive Head, Head of School/Head Teacher, Trust Finance Lead (VCFO), CFO & Trust Auditors	An annual Financial Reporting Timetable will be released by the EFA dates and requirements will be included on this timetable	As necessary to ensure compliance

All figures given throughout are net values.

Income

Role	Value	Delegated Authority	Method	Review Period
Collection and receipt of cash and cheques	Any	School finance team	Cash must be receipted by the person with delegated authority and recorded in the appropriate ledger. All on site cash and cheques must be locked in the safe until banking	Daily
Sales invoices	Up to £15,000	Executive Head & Head of School/Head Teacher	All sales invoices must be processed through the financial management system, and issued in a timely manner.	As required
	£15,001 to £100,000	Chief Executive Officer	CEO to authorise the issuing of sales invoices above £15,001, and then as above.	As required
	Over £100,001	Trust Finance Committee	Finance committee to approve the issuing of sales invoices above £100,001, and then as above	As required
Banking of cash and cheques	Any	School finance team & Trust Finance Lead (VCFO)	Cash and cheques should be banked on a regular basis to ensure that amounts held on site are always within insurance limits. Banking should be checked and agreed by another member of staff before being banked and should relate back to receipts issued.	As required
Reconciliation of bank accounts		School finance team & Trust Finance Lead (VCFO)	Bank accounts should be reconciled at least on a monthly basis by someone other than the person doing the banking. Bank reconciliations should then be signed dated and filed. Review will carried out by an alternative VCFO/CFO.	Monthly
Petty Cash		School finance team & Trust Finance Lead (VCFO)	Petty cash should be kept in a secure container and stored in the school safe. Petty cash payments should be kept below £25. Receipts must be provided for any claim. Pre-approval from the appropriate budget holder must be obtained before any purchases take place. Period checks should take place by Trust Finance Lead (VCFO) and Responsible Officer	Weekly

All figures given throughout are net values.

Purchases and Payments

Role	Value	Delegated Authority	Method	Review Period
Purchase orders /invoices	Up to £500	Budget Holders	Orders should be placed with approved suppliers unless agreed otherwise with school finance team. Orders should be written on approved purchase order pro forma and authorised before being processed in the financial management system, and before order is placed with supplier. Approved paper based orders should be entered into the financial management system by someone other than the person who approved the order.	Monthly
	£500 to £1,000	SLT	As above.	Monthly
	£1,001 to £5,000	Approval required from both the Executive Head, Head of School/Head Teacher & Trust Finance Lead (VCFO)	As above however a minimum of three quotes must be received for orders in excess of £3,000	Monthly
	£5,001 to £15,000	Approval required from the Executive Head, Head of School/Head Teacher and Trust Finance Lead (VCFO) with notification to the Chief Executive Officer	As above however a minimum of three quotes must be received.	Monthly
	£15,001 to £100,000	Three signatures required from the Chief Executive Officer, Chief Financial Officer and one of the Vice-CEOs	Formal tendering process, including advertising in OJEU if appropriate	Monthly

All figures given throughout are net values.

Role	Value	Delegated Authority	Method	Review Period
Payment by cheque or BACs	Up to £3,000	Two signatories required one must be the Head of School/Head Teacher the other can be a member of the SLT	Individual payments to any supplier to the value of £20,000 need to be signed by two individual in the delegated authority column. Cheques or payment notifications must be accompanied by authorised supporting documentation	As necessary
	Up to £15,000	Approval required from both the Executive Head & Head of School/Head Teacher with notification to the Chief Executive Officer	Cheques or payment notification must be accompanied by authorised supporting documentation	As necessary
	Up to £100,000	Three signatures required from the Chief Executive Officer, Chief Financial Officer and one of the Vice-CEOs	Cheques or payment notification must be accompanied by authorised supporting documentation	As necessary
Charge Card	Limited to £1k and 1 card per school	Only the Head of School/Head Teacher, Business Manager or member of SLT may be the designated card holder	Must be kept in the safe when not in use. All transactions must be supported by a receipt. Orders should be placed only by card holder. Reconciliation should be checked by someone other than the person who places the orders.	Monthly
Standing orders and direct debits	as per limits for cheque of BACs payments	as per limits for cheque and BACs payments	as per limits for cheque of BACs payments	As necessary

All figures given throughout are net values.

Role	Value	Delegated Authority	Method	Review Period
Liabilities and Write-Offs	1% of total annual income or £45,000 (whichever is smaller) per single transaction.	Three signatures required from the Chief Executive Officer, Chief Financial Officer and one of the Vice-CEOs	Anything above these limits must be approved by Secretary of State through the EFA	Annual
Purchase or sale of any freehold property	Any	Three signatures required from the Chief Executive Officer, Chief Financial Officer and one of the Vice-CEOs. Approval of the Trust Board of Directors. EFA approval required		Annual
Granting any leasehold or tenancy agreement	Any	Three signatures required from the Chief Executive Officer, Chief Financial Officer and one of the Vice-CEOs. Approval of the Trust Board of Directors. EFA approval required		Annual
Taking up any leasehold or tenancy agreement for more than three years	Any	Three signatures required from the Chief Executive Officer, Chief Financial Officer and one of the Vice-CEOs. Approval of the Trust Board of Directors. EFA approval required		Annual

All figures given throughout are net values.

Wages and Salaries

Role	Value	Delegated Authority	Method	Review Period
Appointment of Staff	Up to senior leadership team	Authorisation from the Head of School/Head Teacher, Executive Head, Chair of the LGB & Trust Finance Lead (VCFO)		Annual
	SLT	Authorisation from the Head of School/Head Teacher, Chair of the LGB, Executive Head & Trust Finance Lead (VCFO)		Annual
	Principal	Authorisation from the Chair of the LGB, Executive Head, Chief Executive Officer & Chief Financial Officer		Annual
Payroll Processing		Trust HR Director and Trust Finance Team	Monthly payroll and any changes must be authorised and signed off on by the Head of School/Head Teacher. Payroll reports and payments made will be checked and agreed by the Payroll Officer and the payroll for the Trust will be signed off by the Chief Financial Officer.	Monthly
Contracts of employment		Trust HR Director	All employee contracts need to be kept up to-date. Any contract changes need to be authorised by the appropriate authority level as per (Appointment of staff) authority and filed in the staff members file. These contracts will be periodically checked by the responsible officer and the auditors.	As required

All figures given throughout are net values.

Role	Value	Delegated Authority	Method	Review Period
Salary increases (TLRs, honorariums, increments etc.)	Up to senior leadership team	Authorisation from the Head of School/Head Teacher & Trust Finance Lead (VCFO)		Annual
	SLT	Authorisation from the Head of School/Head Teacher, Executive Head & Trust Finance Lead (VCFO)		Annual
	Principal	Authorisation from the Executive Head, Chief Executive Officer & Chief Financial Officer		Annual
Overtime/TOIL	Up to senior leadership team	Authorisation from the Head of School/Head Teacher		Annual
Expense claims	Up to and including senior leadership team	Authorisation from the Head of School/Head Teacher		Annual
	Principal	Authorisation from the Executive Head.		Annual

All figures given throughout are net values.

Assets

Role	Value	Delegated Authority	Method	Review Period
Fixed asset register	£2,000	Trust Director of IT and on-site ICT staff member	All assets to the value of £2,000 either individually or as a group will need to be recorded in the asset register.	Monthly and annually
Fixed asset disposals	Up to £1,000	Approval required from both the Head of School/Head Teacher and Trust Finance Lead (VCFO)		Annual
	£1,001 to £5,000	Approval required from both the Head of School/Head Teacher, Executive Head & Trust Finance Lead (VCFO)		Annual
	Over £5,001	Three signatures required from the Chief Executive Officer, Chief Financial Officer and one of the Vice-CEOs		Annual