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**Southwark Diocesan  
Board of Education  
Multi-Academy Trust**  
Developing Church of England Education

# SCHEME FOR FINANCIAL DELEGATION

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## SCHEME OF DELEGATION – APPENDIX 1

The purpose of this Scheme of Delegation is to provide clarity as to the roles and responsibilities of those who contribute to the governance of the Academies and the Trust itself. All those with governance and management responsibilities must be familiar with this Scheme of Delegation so that appropriate steps can be taken to ensure there is sufficient and proper challenge of those with leadership responsibilities. They are also to ensure senior leaders are held to account for the performance of the Academies and that there is financial stability within the Trust.

This is a prescribed Scheme which has been approved by the SDBE MAT Board and may not be modified by Academies.

## SCHEME FOR FINANCIAL DELEGATION

### The Local Governing Body (LGB)

The Local Governing Body has wide discretion over its use of the Trust's funds received in respect of the Academy. It is 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 all relevant guidance on accountability and propriety. It is accountable to the Trust Board, which is in turn accountable to the Secretary of State for Education and Parliament.

It is specifically responsible for ensuring that the Trust's funds are used in accordance with: the law; the Trust's powers under the Funding Agreements; the Articles of Association; this Scheme of Financial Delegation; and the Academies Financial Handbook.

### The LGB Finance Committee

The LGB Finance Committee is a committee of the Local Governing Body which has powers delegated to it by the Multi-Academy Trust Board. The Finance Committee meets at least once a term but more frequent meetings can be arranged if necessary by (a) the LGB or (b) the Trust.

The main responsibilities of the Finance Committee include:

- reviewing the effectiveness of the internal financial procedures and controls of the Academy, ensuring conflicts of interest are avoided, and that the operation of internal controls is genuine and fit for purpose;
- the initial review and authorisation of the annual budget for the Academy;
- the regular monitoring and scrutiny of the Academy's management accounts;
- the regular review of the systems in place for ensuring that the financial information required by the Multi-Academy Trust are fit for purpose;
- reviewing and checking details of any contracts and material purchases by the Academy;

- authorising the award of contracts and purchases subject to the limits defined and delegated by the Trust Board;
- Liaising as necessary with the Multi-Academy Trust's Risk and Audit Committee (or the Multi-Academy Trust Board if appropriate) to ensure accountability and propriety and to manage down the level of financial risk within the Academy.

### Multi-Academy Trust – Accounting Officer / Chief Executive Officer

As required by the Academies Financial Handbook, the Trust has appointed an Accounting Officer who has overall responsibility for the Trust in addition to each Academy's activities including financial activities.

The Accounting Officer within the SDBE MAT is the Chief Executive Officer (CEO). The Accounting Officer is personally responsible to Parliament and to the accounting officer of the ESFA for the resources under the control of the Trust.

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.

### Multi-Academy Trust – Chief Operating Officer

In practice, the higher-level duties of the Accounting Officer will be delegated to the Chief Operating Officer (COO). Ultimate accountability remains with the Accounting Officer.

The day-to-day financial responsibility of the Accounting Officer for individual Academies is delegated to the Chief Operating Officer through to the Headteacher and School Business Manager of the Academy.

The Chief Operating Officer is responsible, and the Accounting Officer is accountable for:

- ensuring the annual accounts of the Multi Academy Trust (including the accounts of the constituent Academies) are produced in accordance with the requirements of the Companies Act 2006 and the ESFA guidance issued to academies;



- the completion of the accounting officer's statement on governance, regularity, propriety and compliance for inclusion in the Trust's annual report;
- establishing and reviewing the procedures for the authorising and entering into of contracts and legal commitments;
- overseeing expenditure and advising the Trust Board where significant expenditure is anticipated, and;
- where indicated in this Scheme for Financial Delegation, signing cheques and authorising BACs payments in conjunction with the bank mandate.

The Chief Operating Officer plays both a technical and leadership role, including ensuring sound and appropriate group governance and risk management arrangements are in place and leads on any procurement of supplies and services to the Trust as a whole or any strategic procurement to be undertaken by an individual Academy.

#### **Multi-Academy Trust – Chief Financial Officer**

As required by the Academies Financial Handbook, the Trust has appointed a Head of Finance who holds the office of Chief Financial Officer. They are responsible for the development and implementation of the accounting and financial processes adopted by the Trust.

The Chief Financial Officer ensures the preparation and monitoring of budgets, and the delivery of annual accounts. The CFO may also support the business management teams in the Academies ensuring there is consistency in financial procedures across the Trust.

#### **Shared Costs**

The Trust Board has set a charge (currently 5%) to its member Academies to fund its central running costs. This charge is known as the Support Cost Contribution (SCC).

The 5% charge does not cover typical revenue expenditure ordinarily incurred by an Academy on a day-to-day basis in pursuance of its annual budget and educational objectives. These costs will be required to be met from the balance of GAG remitted to Academy by the Trust and include costs such as staffing, insurance and general maintenance.

#### **Abbreviations Used in SfFD**

HT	Headteacher (or equivalent role)
SBM	School Business Manager (or equivalent role)
LGB	Local Governing Body
SLT	Senior Leadership Team
LGBFC	Local Governing Body Finance Committee
CoG	Chair of Governors
DHT	Deputy Headteacher/s
CEO	Chief Executive Officer
COO	Chief Operating Officer
HOF	Head of Finance
Trust Finance Team	Finance & Operations Business Partners & Head of Finance
BOARD	Trust Board of Directors
ESFA	Education & Skills Funding Agency

## BUDGETING AND REPORTING

ROLE/ PROCESS	VALUE	DELEGATED AUTHORITY	ACTIVITY / SCOPE		REVIEW PERIOD
Budget Setting Process		HT	Decide academy improvement priorities	The Headteacher will, based on the educational and operational needs of the school, decide on the improvement priorities for the school. These will be routinely shared, discussed and challenged by the Governing Body.	Annually
		HT & SLT	Draft budget plan	The Headteacher will on an annual basis, draft a budget plan for the coming year, in consultation with their Senior Leadership Team and Business Manager where appropriate.	Annually
		TFT	Quality assure budget plan.	The Trust Finance Team will work with the school to help identify any efficiencies, ensure assumptions are robust and set a balanced budget. The final draft is shared with the CEO/COO/HOF for internal approval.	Annually
		LGB	Propose budget plan to the Trust Board.	The Headteacher will, on an annual basis, propose their budget plan for the coming year to the Local Governing Body. Governors are expected to challenge the proposed budget and test the reliability and affordability of the proposal, mindful of the school's strengths, weaknesses, threats and opportunities. If Governors are satisfied with the budget proposed by the Headteacher, they should formally vote to propose the budget to the Trust Board for ultimate sign-off.	Annually
		BOARD	Approve or reject budget	If the Trust Board requires the Local Governing Body to reconsider the budget or has lost confidence in the ability of the Academy to set a balanced budget, the Trust Board must provide a full explanation to the Local Governing Board of its reasons and the time in which an alternative budget should be provided. The CEO/COO will be asked to provide guidance and support and may in exceptional circumstances be asked to take responsibility for recommending a budget plan to the Trust Board.	Annually
Budget Holders Responsibilities		HT, SLT & other approved budget holders	Budget monitoring is the responsibility of the budget holder and <b>budgets must not be overspent at any time during the year</b> except following prior agreement at the appropriate authorisation level.		Ongoing
Monthly Management Accounts		SBM on behalf of HT	Completion of the Trust's Month-End process. All transactions to be processed and bank and control accounts reconciled by the School Business Manager for the timely checking and production of the monthly management accounts.		Monthly



<b>ESFA &amp; Statutory Reporting</b>		CEO, COO, HOF, HT, SBM, TFT (in conjunction with the Trust's Auditors)	An annual Financial Reporting Timetable will be released by the ESFA.	As Required
<b>Virements</b>  This is the internal re-allocation of funds to different cost lines which do not affect the overall bottom line)	Up to £10,000 for a single transaction or up to £50,000 in aggregate	HT	Virements of <b>any amount</b> must be <b>disclosed</b> to the LGB Finance Committee.	As Necessary
	£10,001 and over for a single transaction or over £50,000 in aggregate	LGBFC	Must be <b>approved</b> by the LGB Finance committee.	As Necessary

## INCOME

ROLE/ PROCESS	VALUE	DELEGATED AUTHORITY	ACTIVITY / SCOPE	REVIEW PERIOD
<b>Collection &amp; Receipt of Cash/Cheques</b>	Any	SBM (or delegated assistant approved by HT)	Cash must be counted by two persons (signatures) who should both sign with delegated authority and record in an appropriate ledger. All on site cash and must be locked in the safe until banking. Banking must be done at least once a week.	Daily
<b>Sales Invoices</b> (the sale of goods/services)	Up to £15,000	SBM	All sales invoices must be processed through the financial management system, and issued in a timely manner.	As Necessary
	£15,001 to £100,000	SBM & HT	Headteacher to authorise the issuing of sales invoices above £15,001, and then as above.	As Necessary
	Over £100,001	LGBFC	Finance Committee to approve the issuing of sales invoices above £100,001, and then as above	As Necessary
<b>Banking of Cash &amp; Cheques</b>	Any	SBM (or delegated assistant approved by HT)	Cash and cheques should be banked on a regular basis and not be allowed to accumulate above £1,000. Banking records must be checked and initialled by two staff before being banked and must relate back to receipts issued and financial reporting in the Academy's accounting system.	As required



<b>Reconciliation of Bank Accounts</b>	SBM & HT (or delegated assistant approved by HT)	Bank accounts should be reconciled at least on a monthly basis by someone other than the person doing the banking. Bank reconciliations should be reviewed independently by an appropriately skilled or experienced person, and signed, dated and then filed.	Monthly
<b>Petty Cash</b>	SBM (or delegated assistant approved by HT)	Petty cash should be kept in a locked tin and stored in the Academy safe. Individual payments from petty cash should not exceed £100. Receipts must be provided for any claim. Prior approval from the appropriate budget holder must be obtained before any purchases take place. There should be periodic checks by the SDBE MAT Finance Staff.	Weekly

## EXPENDITURE

ROLE/ PROCESS	VALUE	DELEGATED AUTHORITY	ACTIVITY / SCOPE	REVIEW PERIOD
<b>Purchase Orders</b>	Up to £5,000	Budget Holders & SBM	Orders should be placed with approved suppliers unless agreed otherwise by the Headteacher. Orders should be written on approved purchase order forms and authorised before being processed in the financial management system, and before being placed with suppliers. Approved paper based orders should be entered into the financial management system by someone other than the person who approved the order.	Monthly
	£5,000 to £20,000	HT, SLT & SBM	As above and at least three written quotes must be obtained.	Monthly
	£20,000 to £50,000	HT & CoG	As above and at least three written quotes must be obtained.	Monthly
	Over £50,000	CEO, and COO or HOF	As above and at least three written quotes must be obtained with a summary report detailing the need for the expenditure.	Monthly
	Over £160,000	BOARD	Formal tendering process, including advertising in OJEU if appropriate. The COO/SDBE MAT Finance Team will support Academies with this process.	As necessary
	IF CIF Related	Two signatories required among the: CEO, COO, HOF	All projects are shared with and approved by the Trust Board in advance of funding being applied for.  If a school were successful with a Capital Improvement Fund (CIF) bid and the Purchase Order is to give approval for the commencement of a project, the CEO/COO/HOF may approve the requisite Purchase Order subject to ESFA confirmation that the project is fully funded and the project cost does not exceed the award given.	As necessary
<b>Payment by Cheque</b>	Up to £50,000	Two signatories required among the:  HT, DHT, SBM	<b>Individual payments to any supplier must be signed by two individuals</b> within the delegated authority column. <b>A sufficient pool of signatories should be established (including electronic signatories)</b> so that payments are not held up. All payments must be accompanied by authorised supporting documentation. Documentation <b>must</b> be retained.	As necessary



	Above £50,001	Two signatories required among the: HT, DHT, SBM including one from either the Trust's CEO or COO.	Cheques or payment notification must be accompanied by authorised supporting documentation.	As necessary
Payment by Online Banking	Create a Payment Online Up to £10,000	One authorised user required among the: HT, DHT, SLT, SBM to create the payment on the online banking platform.	<p>Only authorised users may have access to the online banking platform. These users must be proposed by the Headteacher and approved by the COO/HOF when the user is first set-up.</p> <p><b>When creating a payment, the user MUST verify each beneficiaries' details, including company name, account number and sort code before creating a payment for that beneficiary.</b></p> <p><b>If a beneficiary's details have changed or are incorrect, they should be excluded from the payment run until they can be thoroughly validated.</b> The Trust Finance Team are available to support any user that has concerns or difficulties validating their details.</p> <p><b>The user creating the payment must provide assurance to the individual authorising the payment that the beneficiary details are accurate.</b></p>	As necessary
	Approve a Payment Online Up to £10,000	<p>One authorised user required among the: HT, DHT, SLT to authorise the payment on the online banking platform.</p> <p>This authorised user <b>MUST</b> be a different individual from the one who created the payment.</p>	When approving a payment online, the user MUST verify each beneficiaries' details, including company name, account number and sort code before authorising the payment for that beneficiary. Assurance will also be provided by the individual who created the payment.	As necessary
	Approve a Payment Online Over £10,001	<p>Two authorised users required among the: HT, DHT, SLT to authorise the payment on the online banking platform.</p> <p>The authorised user approving the payment <b>MUST</b> be a different individual from the one who created the payment.</p>	<p>When approving a payment online, the user MUST verify each beneficiaries' details, including company name, account number and sort code before authorising the payment for that beneficiary. Assurance will also be provided by the individual who created the payment.</p> <p>Whilst the online banking platform only requires one person to 'click the button' and approve the payment, an additional authorised user will be present to witness the validation and approval process and provide a third layer of oversight.</p>	As necessary

<b>Payments relating to CIF Projects</b>	Approve a Payment up to £200,000.	<p>Two authorised users required among the: CEO, COO or HOF to authorise the payment on the online banking platform, only if in possession of a valid 'Works Completion Certificate' issued by the appointed Surveyor.</p> <p>The authorised user approving the payment <b>MUST</b> be a different individual from the one who created the payment.</p>	<p>When approving a payment online, the user <b>MUST</b> verify each beneficiaries' details, including company name, account number and sort code before authorising the payment for that beneficiary. Assurance will also be provided by the individual who created the payment.</p> <p>Whilst the online banking platform only requires one person to 'click the button' and approve the payment, an additional authorised user will be present to witness the validation and approval process and provide a third layer of oversight.</p>	As Necessary
<b>Online Banking Payment Types – Faster Payment</b>	Any	Are not permitted unless they are approved by the CEO/COO/HOF.		As necessary
<b>Charge Card</b>	Limited to £5k	All persons with a Charge Card shall be proposed by the HT or CoG and approved by the CEO/COO.	The card 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
<b>Standing Orders &amp; Direct Debits</b>		Same as for BACs payments (defined above).		As necessary
<b>Purchase / Sale of Any Freehold Property</b>		ESFA approval required	Local Governing Body to seek approval of Trust Board.	Annual
<b>Granting Any Leasehold or Tenancy Agreement</b>		ESFA approval required	Local Governing Body to seek approval of Trust Board.	Annual
<b>Taking Up Any Leasehold or Tenancy Agreement For More Than 3 Years</b>		ESFA approval required	Local Governing Body to seek approval of Trust Board.	Annual



<b>Liabilities &amp; Write-Offs</b>	1% of total annual income or £45,000 (whichever is smaller) per single transaction. Cumulatively 2.5% of total annual income in any one financial year per category of transaction where notified by the Trust Board. Otherwise cumulatively, 5% of total annual income in any one financial year per category of transaction.	Anything above these limits must be approved by Secretary of State through the ESFA.	Annual
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## ASSETS

ROLE/ PROCESS	VALUE	DELEGATED AUTHORITY	ACTIVITY / SCOPE	REVIEW PERIOD
<b>Fixed Asset Register</b>	£2,000	SBM	All assets with a value of £2,000 or more either individually or as a group must be recorded in the asset register.	Monthly and annually

## WAGES & SALARIES

ROLE/ PROCESS	VALUE	DELEGATED AUTHORITY	ACTIVITY / SCOPE	REVIEW PERIOD
<b>Staff Salary Setting</b>	Up to SLT Position	HT		Annual
	SLT Position	LGB		Annual
	Headteacher	CEO/COO		Annual
<b>Payroll Processing</b>		SBM & HT	Academy Business Manager to check monthly payroll and make any necessary changes or adjustments. Monthly payroll <b>and any changes must be authorised and signed off by the Headteacher</b> . Payroll reports and payments made <b>must</b> be checked and agreed by the Headteacher.	Monthly
<b>Contracts of Employment</b>		SBM (on behalf of HT) in conjunction with the Trust HR Team	Employee contracts shall be kept up-to-date at all times. Changes to an employee's role should be subject to consultation with the employee. Contract changes shall be authorised by the Headteacher, and other staff in the school should be made aware of any changes in a person's role. <b>A formal letter must be written to the employee recording the changes (along with any change in remuneration or pension benefits)</b> and a copy filed in the staff member's file. Staff contracts shall be periodically checked by the responsible officer and subject to regular inspection by the Academy's auditors.	As required



<b>One-off Payments</b> (e.g. in settlement claims, ill health retirements)	Any	CEO/COO	Any proposals shall be made by the school and sent to the Trust HR Team for consideration. For any proposal to be considered, it should be accompanied by a populated justification template available from the ESFA.	As required
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