

HILBRE HIGH SCHOOL FINANCIAL SCHEME OF DELEGATION

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1. INTRODUCTION

The framework within which the Academy 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. The Company is responsible for the operation of the Academy as currently listed on its website.

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.

The Trustees have overall responsibility and ultimate decision-making authority for all aspects of running the Academy. 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.

The Trustees delegate areas of responsibility through a Scheme of Delegation. Key responsibilities for the Trust will remain at a strategic rather than operational level. This document sets out how finance responsibilities are delegated and should be read alongside the Academy's Scheme of Delegation.

The principle functions of the Board are to support the operation of the Academy, developing strategic plans and policies in core areas of the operation including teaching and learning, training, finance, risk, HR and ICT. The Board specifies management controls and

reporting requirements, audits the associated processes, procedures and outcomes, identifies processes, procedures and outcomes and identifies appropriate training and support.

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:

- approve the annual audited Report and Accounts within required timescales, considering the recommendations of the Trustees
- Remove auditors, if necessary, “within their term of office” by majority vote and advise the Trustees accordingly.
- Approve the appointment of external auditors 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:

- Approval of a written Financial Scheme of Delegation of its financial powers and duties to its Finance & Audit Committee, Head Teacher 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 Academy. The Financial Scheme of Delegation should be operated in conjunction with the Financial Regulations of the Company.
- Formally approving the annual consolidated Academy budget in accordance with the requirements of the Education & Skills Funding Agency.
- Considering budgetary control reports from the Finance & Audit Committee at every meeting, with relevant explanations and documentation where required.
- Ratification of all transfers in excess of £35,000 (as per Financial Procedures manual) between budget headings. Details of all transfers approved and authorised by the Finance & Audit Committee are to be formally notified to the Trustees.
- Maintenance of a Register of Business Interests for all Members, Trustees, Accounting Officer, Chief Finance Officer, Senior Finance Manager and those Academy staff with financial responsibilities.
- Authorisation of the advertising of tenders above £25,000 (as per FPM) and authorising the award of such tenders.
- 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.
- 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)

- 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 as per (FPM)
- 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.
- Receiving the reports of the external auditor.
- Reviewing comparison Benchmarking data provided by the School Business Manager and Head Teacher to ensure necessary strategic decisions are taken to ensure value for money and robustness within the organisation.
- Receiving the reports of the Finance & Audit Committee on the use of resources, systems of internal financial control, and discharge of financial responsibilities.
- Informing the DFE if it suspects any irregularity affecting resources.
- 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 FINANCE & AUDIT COMMITTEE

The Finance and Resources Committee will meet at least 3 times per year and shall be responsible for:

- To exercise 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 Head Teacher and other staff.
- Reporting on decisions taken under delegated powers to the next meeting of the Board of Trustees.
- Reviewing the annual budget of the Academy prior to the start of each financial year and recommending its acceptance, or otherwise to the Trustees.
- 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.
- Reviewing virements of sums between budget heads, subject to delegated limits, as approved and authorised by the Head Teacher or, Chief Finance Officer, which are to be formally notified to the Finance & Audit Committee who shall minute the notification. To approve virements between budget headings of £35,000 (as per FPM).
- Report to the Trustees all significant financial matters and any actual or potential overspending.

- Authorising the award of orders and contracts over £25,000 (as per FPM, Chair of Governors signature required).
- Ensuring that arrangements for insurance cover are in place and adequate.
- Ensuring that there are annual independent checks of assets and the asset register.
- 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.
- Authorising permanent changes to the Academy's staff establishment structure.
- Reviewing the draft financial statements and highlighting any significant issues to the Trustees, prior to submission to the Secretary of State by 31 December.
- Authorising the tender process in excess of £25,000 and ensuring procedural responsibilities are maintained.

5. FINANCIAL POWERS AND DUTIES DELEGATED TO THE ACCOUNTING OFFICER /HEAD TEACHER

The Head Teacher has delegated powers and functions in respect of internal organisation, management and control of the Academy, the implementation of all policies approved by the Trustees and for the direction of teaching and the curriculum.

The Head Teacher shall be responsible for:

- Reviewing income and expenditure reports and highlighting actual or potential overspending to the Finance & Audit Committee.
- Approving virements between budget headings up to £25,000 (as per FPM) and reporting such approval to the Finance & Audit Committee.
- Authorising orders and contracts up to £25,000 (as per FPM)in conjunction with the Chief Finance Officer.
- Approving new like for like staff appointments within the authorised establishment (other than the Leadership Group). The advertising and appointment of any new posts will be taken to Governing Body for approval.
- Approving all salary amendments and any additional appointments to staffing establishment constituting minor variation (i.e. +1 increment except in exceptional circumstances) subject to reporting to Finance & Audit Committee and their approval for further appointment or limits.
- 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.
- Ensuring that proper security is maintained at all times for all buildings, furniture, equipment, vehicles, stocks, stores, cash, information etc. under their control.

- Authorising the advertising of tenders in excess of £25,000 and reporting to the Finance & Resources Committee.

6. FINANCIAL POWERS AND DUTIES DELEGATED TO THE CHIEF FINANCE OFFICER/ SCHOOL BUSINESS MANAGER

The Chief Finance Officer (School Business Manager) shall be responsible for:

- Ensuring that the annual budget plan is prepared, approved and submitted to the ESFA in accordance with deadlines.
- 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.
- Ensure that the provisions of the Academies Financial Handbook and other regulatory frameworks are implemented and procuring Internal Audit and similar reports as required.
- Approving virements between budget headings (in conjunction with the Head Teacher) up to a value of £10,000 and reporting such approval to the Finance & Audit Committee.
- Authorising orders and contracts up to £10,000.
- Maintaining a register of related party transactions in accordance with the Academies Financial Handbook and report to the Finance & Audit Committee.

7. FINANCIAL POWERS AND DUTIES DELEGATED TO THE SENIOR FINANCE MANAGER

- Ensuring the arrangements for collection of income, ordering of goods and services, payments and security of assets are in accordance with the Financial Regulations.
- Ensuring that all contracts and agreements conform to the Financial Regulations and the Academies Financial Handbook.
- Ensuring that full, accurate and up to date records are maintained in order to provide financial and statistical information.
- Ensuring that all records and documents are available for audit by the appointed external auditors and Finance & Audit Committee.
- Preparing, after discussion with the Head Teacher and School Business Manager, an annual draft budget plan for consideration by the Finance & Audit Committee and the Trustees before the start of the relevant financial year.
- Monthly monitoring of expenditure and income against the approved budget and submitting reports on the Academy's financial position every month to the Finance and Audit Committee Trustees and to every meeting of the Finance & Audit Committee. Any actual or potential overspending shall be reported to the Finance & Audit Committee.

- Authorising orders and contracts up to £500 in conjunction with the School Business Manager.
- Maintaining a register of formal contracts entered into, amounts paid and certificates of completion.
- Retention of quotes obtained for goods, works and services. Ensuring that all correct invoices are certified by authorised staff before payments are made and that invoices, vouchers and other records are retained and stored in a secure way and are readily available for inspection by authorised persons.
- Ensuring the appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments.
- Ensuring that the monthly payroll is checked, and payment is certified in line with the bank mandate.
- Ensuring that all income is accurately accounted for and is promptly collected and banked intact.
- Maintaining proper records of account and reviewing monthly bank reconciliations.
- Notifying the Finance & Audit Committee on any eventuality that could affect the Academy's insurance arrangements.
- Maintaining an appropriate register of all items of furniture, equipment, vehicles.
- Maintaining the standards of control for such systems in operation within the Academy, which includes the use of properly licensed software and security and privacy of data in accordance with the General Data Protection Regulations.
- In conjunction with the School Business Manager to ensure that, the provisions of the Academies Financial Handbook are implemented.

8. 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 and the Academies Financial Handbook.

The following responsibilities are delegated to other staff in addition to the Head Teacher/School Business manager and Senior Finance:

- Budget Holders are responsible for checking and certifying monthly statements of expenditure against their delegated budget and for reporting any errors or irregularities to the Academies Business Manager. Any actual or potential overspending shall be reported to the School Business Manager.
- Budget holders, Admin staff and Finance staff are authorised to receive and check goods:
- Finance Staff will operate under the direction of the Senior Finance Manager in accordance with the Financial Regulations and Academies Financial Handbook and in-line with their agreed Job Descriptions.

10. FINANCIAL POWERS AND DUTIES RESERVED FOR THE AUDIT COMMITTEE

Authority

The Audit Committee is part of the Finance and Audit Committee and is made up of the same Trustees. It 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.

Duties

Internal Audit

To direct those responsible for conducting elements of internal audit up to three times per year and to receive reports based upon these exercises. To ensure findings from these audits are shared with appropriate Trustees, Governors and Staff and to review and monitor Governance and Management's response to findings. Internal audit may include but is not limited to the following areas:

1. Financial Reporting

To review and where necessary to challenge the actions and judgements of Trust and School Governance and Management in relation to financial reporting, accounting policies and practices, budgets, unusual transactions, disclosures, adjustments resulting from audits and compliance with Statutory Duties.

2. Internal Control and Risk Management

To monitor and review the integrity of the Trust's internal financial controls, including procedures to detect and prevent fraud and impropriety and those to identify, assess and manage risk

3. Education and Standards

To review and where necessary challenge the actions and judgements of Trust and academy data, attainment, progress, value added and other educational reports.

4. Local Governance

To scrutinise the work of Governing Body to ensure they are providing the required level of challenge and support.

5. Contract management

To review existing and future contract arrangements and, where necessary, ensure that Trustees are represented adequately during supplier selection.

6. Safeguarding

To oversee Trust-wide arrangements for safeguarding ensuring that statutory requirements are met or exceeded.

7. HR

To ensure that the Trust's HR support is fit for purpose and that adequate arrangements exist to meet statutory and legal obligations.

8. Policies

To ensure that Trust policies are developed, reviewed and amended on a regular basis.

9. Health and Safety

To ensure that the Trust's Health and Safety arrangements are fit for purpose and that adequate arrangements exist to meet statutory and legal obligations.

External Audit

1. To recommend the appointment, re-appointment or removal of the external auditor and oversee the Trust's relations with them. To approve the terms of engagement and remuneration to be paid to the external auditor.
2. To discuss with the external auditor, before the audit commences, the nature and scope of the audit.
3. To review with the external auditor the findings of their work, including any major issues arising and their resolution, key accounting judgements and levels of errors identified during the audit.
4. To assess the effectiveness of the audit process at the end of its cycle.
5. To oversee the Trust's need for impartiality by the external auditor with reference to their non-audit services, to ensure objectivity is not impaired through their delivery.

The Finance & Audit Committee

The Board of Trustees operates just two committees, Finance & Audit and Pay Committee.

The Finance & Audit committee is responsible for financial and business operations management on behalf of Board and it reports to the full Board of Trustees at the termly meetings.

Syd Jenkinson	Chair of Finance & Audit Committee/Trustee
Mark Bellemy	Accounting Officer/ Head Teacher
Mike Cockburn	Trustee
Julie Jubb	Trustee
Sian Turner	Trustee

Clerk to Governors

Jane Brown