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SCHEME OF FINANCIAL DELEGATION

V4.0

Approval History

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1. INTRODUCTION

The purpose of this document is to ensure that the Trust maintains and develops systems of financial control which conform with the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Department for Education (DfE).

The Trust must also comply with the principles of financial control outlined in the academies guidance published by the Department for Education (DfE)DFE).

This scheme of delegation of financial powers is designed to clarify who is responsible for what regarding all financial matters. The scheme should be read in conjunction with the following documents:

- **Academy Trust Handbook**
- **Operational Financial Procedures Manual**
- **Competitive Tendering Policy**
- **Staff Financial Procedures**

2. POWERS AND DUTIES RESERVED BY THE DEPARTMENT FOR EDUCATION (DFE).

Delegated authorities the financial freedoms and limits applying to academy trusts.

Requirement to obtain DFE approval

The academy trust has autonomy over financial transactions arising in the normal course of business. However, some transactions have delegated authority limits beyond which trusts must obtain prior DFE approval, using the customer help portal, regardless of the source of funds. Trusts must ensure they understand and comply with the schedule of delegated authorities set out in section 5.60 of the Academy Trust Handbook.

DFE may intervene where trusts do not seek the required DFE approval in advance

Novel, contentious, or repercussive transactions

Novel, contentious, or repercussive transactions must always be referred to DFE for approval, and the request must be made to DFE before the transaction occurs. • Novel transactions are those of which the academy trust has no experience, or are outside its range of normal business

- Contentious transactions are those that may cause criticism of the trust by Parliament, the public, or the media
- Repercussive transactions are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications

Write-offs and entering into liabilities

The academy trust must obtain DFE's prior approval for the following transactions beyond the delegated limits described below:

- writing-off debts and losses

- entering into guarantees or letters of comfort
- entering into indemnities which are not in the normal course of business

The delegated limits, are:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction
- cumulatively, 2.5% of total annual income (subject to a maximum of £250,000) in any financial year per category of transaction for trusts that have not submitted timely, unqualified accounts for the previous 2 financial years - this category includes new trusts that have not had the opportunity to produce 2 years of audited accounts
- cumulatively, 5% of total annual income (subject to a maximum of £250,000) in any financial year per category of transaction for trusts that have submitted timely, unqualified accounts for the previous 2 financial years.

5.21 In relation to these limits:

- the trust should always pursue recovery of amounts owed to it, including overpayments, or erroneous payments. In practice, however, there will be practical and legal limits to how cases should be handled

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- the trust should always pursue recovery of amounts owed to it, including overpayments, or erroneous payments. In practice, however, there will be practical and legal limits to how cases should be handled

the trust should only consider writing-off losses after careful appraisal, including whether all reasonable recovery action has been taken with the debtor, the trust's insurers, or the risk protection arrangement, and should be satisfied there is no feasible alternative

- the amounts for write-offs are before successful claims from an insurer or the risk protection arrangement
- total annual income is defined as grant income as disclosed in the trust's last audited accounts

DFE should be contacted if the trust has not yet published their first audited accounts.

Before accepting liabilities by issuing guarantees, a letter of comfort or indemnity, the trust should secure value for money by appraising the proposal through assessment of the costs and benefits of relevant options.

Acquisition and disposal of fixed assets

Academy trusts must obtain prior approval from DFE for the following transactions:

- acquiring a freehold of land or buildings
- disposing of a freehold of land or buildings
- disposing of heritage assets, as defined in financial reporting standards, beyond any limits in the funding agreement for the disposal of assets generally.

Other than land and, buildings and heritage assets, trusts can dispose of other fixed assets without DFE's approval subject to achieving the best price that can reasonably be obtained, and maintaining the principles of regularity, propriety and value for money.

Leasing

Under UK financial reporting standards applicable to academy trusts, there are 2 types of lease:

- finance leases: these are a form of borrowing
- operating leases: these are not borrowing.

Trusts must obtain DFE's prior approval for the following leasing transactions:

- taking up a finance lease on any asset not on the DfE approved list for any duration from another party, which are subject to the borrowing restrictions.
- taking up a leasehold or tenancy agreement on land or buildings from another party for a term of 7 or more years
- granting a leasehold interest, including a tenancy agreement, of any duration, on land and buildings to another party.

Other than these, trusts do not require DFE's approval for operating leases. Trusts must ensure any lease maintains the principles of value for money, regularity, and propriety. Trusts should seek advice from their professional adviser or external auditor if they are in doubt over whether a lease involves borrowing.

3. POWERS AND DUTIES DELEGATED FOR THE TRUST BOARD

The Trust Board shall be responsible for: -

a. **Scheme of Delegation**

Approving a written scheme of delegation of its financial powers and duties to its Finance and Resources Committee, the Chair of the Trust Board, the Chief Executive Officer, the Academy Headteachers, the Chief Finance and Operations Officer, Academy Business Managers, Finance Managers, and other staff. The scheme must satisfy the Trust Board's ultimate responsibility for ensuring that there are adequate operational controls in place for all the financial processes within the academies and that value for money and probity is maintained. It should be noted that the Scheme of Delegation complements the Trust's Operational Financial Procedures Manual and should be operated in conjunction with this document. The Scheme of Delegation should be reviewed and approved on a regular basis (at least annually) in respect of its content and effectiveness in operation, and against any weaknesses exposed either in the external or internal audit reports. The approval should be formally minuted through the Finance Committee on behalf of the Trust Board.

b. **Audit**

Receiving and considering the full Audit Management Report for the Trust issued by the Trust's external audit provider, which should be presented to the Trust Board for approval and acceptance within four months of the financial year-end. Note: appointment of external auditors is a function of the Members of the Trust. Liaising with the external audit provider, if the auditor suspects any irregularity affecting resources of the Trust. Formally agreeing the internal audit provision

for the Trust, following recommendation made by the Audit and Risk Committee. Receiving and considering appropriate internal audit reports from the, Audit & Risk Committee. Keeping the Department for Education (DfE) and the DFE informed of any suspicions relating to resource irregularity identified through either internal or external audit processes.

c. **Budgets/Budgetary Control Receiving**

Considering a full report of the Trust's accounts and financial position as at 31st August each year for approval and sign off within four months of the financial year-end. Formally approving (and minuting the approval of) the Trust's 3-year budget plan annually, by the start of the new financial year. Receiving and considering minutes of budgetary control reports from every meeting of the Finance and Resources Committee with relevant explanations and supporting documentation where required.

The Chair of the Trust Board or the Chair of the Finance and Resources Committee may increase or decrease income and expenditure estimates up to a maximum value of £100,000. Any such change must be reported to the next Trust Finance and Resources Committee meeting. Any change greater than £100,000 must be approved at a Trust Board meeting.

d. **Contracts and Major Purchases**

Authorising any purchases or contracts over £100,000. Usual practice should be to secure Trust-wide contracts wherever possible to ensure best value. Where an approved trust-wide contract is in place, authority for the academies' draw-down on this contract is delegated to the Headteacher(s). Where no trust-wide contract exists, individual or aggregated purchases over £100,000 must be authorised by the Trust Board.

e. **Register of interests**

- Maintaining a Register of Business and Pecuniary Interests (to include details of any controlling share holdings and/or substantial financial interests in organisations whose supplies or services could conceivably be linked to the Trust or whose supplies or services could conceivably be linked to the Trust in the future), for all members, trustees, local governors, senior employees and any other key staff with a role in selecting contractors or suppliers for major purchases. This will be used to ensure there are no conflicts of interest in awarding major works or that any such interest is declared in advance so that the individual can be removed from any decision taking on the award of such a contract or major purchasing decision.
- Publishing on the trust website relevant business and pecuniary interests of members, trustees, local governors and accounting officers.

Trusts have discretion over the publication of other individuals named on the register.

f. **Special staff severance payments**

Per the Academies Trust Handbook, in considering making a staff severance payment outside the statutory or contractual requirement, the Trust Board will consider the following before making a binding commitment:

- That the proposed payment is in the trust's interests
- Whether the payment is justified, based on a legal assessment of the trust's chances of successfully defending the case at employment tribunal. If there is a significant prospect of losing the case, a settlement may be justified. Where a legal assessment suggests the trust is likely to be successful, a settlement should not be offered.
- If the settlement is justified, the Trust would need to consider the level of settlement. This must be less than the legal assessment of what the relevant body (e.g., an employment tribunal) is likely to award.

Special severance payments should not be made where they could be seen as a reward for failure, such as dismissal for gross misconduct or poor performance. The only acceptable rationale in the case of gross misconduct would be where the legal advice is that the claimant is likely to succeed in an employment tribunal claim because of employment law procedural errors. In the case of poor performance, an acceptable comparison would be the time and cost of taking someone through performance management and capability procedures. If the Trust is considering making a compensation payment, it must consider whether the proposed payment is based on a careful appraisal of the facts, including legal advice and that value for money will be achieved. It is also good practice to consider routinely whether particular cases reveal concerns about the soundness of the control systems; and whether they have been respected as expected. It is also important to take any necessary steps to put failings right. Where the Trust is considering a non-statutory/non-contractual payment of £50,000 or more, (gross, before deductions) the DFE's prior approval must be obtained before making any binding offer to staff. DFE will refer such transactions to HM Treasury, so trusts should allow sufficient time for proposals to be considered.

The Trust Board should demonstrate value for money by applying the same scrutiny to a payment under £50,000 as those above £50,000 and have a justified business case.

In all cases where a staff severance would result in LGPS (GMPF) pension strain costs, this must be agreed with the Trust Board before any binding offer is made to staff.

Scheme of Financial Delegation

3.1 The Trust Board has overall responsibility for the administration of the Trust's finances. The main responsibilities of the Trust Board are prescribed in the Funding Agreement between the Trust and the DfE. The Trust Board will be responsible for ratifying the Scheme of Financial Delegation which covers its financial powers and duties and delegation where appropriate to its Finance and Resources Committee and, Audit & Risk Committee, Chief Executive Officer and other responsible persons.

The Scheme must satisfy the Trust Board's ultimate responsibility for ensuring that there are adequate operational controls in place for all the financial processes within the Trust. The Scheme of Financial Delegation should be operated in conjunction with the Academies Memorandum and Articles of Association and the Academy Trust Handbook, issued by the Department for Education (DfE)

The full responsibilities are documented in the written terms of reference which have been authorised by the Board. Regarding financial controls, the Trust Board shall be responsible for:

- 3.2 The Scheme of Delegation will meet the requirements of the Academy Trust Handbook and its Funding Agreement.

Audit Matters

- 3.3 Arrangement for the appointment of external auditors; and informing the DfE in the event of the removal or resignation of auditors.

External auditors

Appointment of external auditors

Under the Companies Act 2006, academy trusts **must** appoint an auditor to give an opinion on whether their annual accounts present a true and fair view of the trust's financial performance and position (appointment being by the members, other than where the Companies Act permits the trustees to appoint – for example for the trust's first period of account). Trusts should retender their external audit contract at least every five years and **must** consider the relevant points in the handbook when evaluating.

The audit contract, and regularity engagement **must** be in writing and must not cover other services. If additional services are purchased, a separate letter of engagement **must** be obtained specifying the work and the fee. Trusts should note that auditors are subject to the Financial Reporting Council's Ethical Standard which aims to strengthen auditor independence and prevent conflict of interest where additional services are provided to a client.

Removal of external auditors

The letter of engagement **must** allow for removal of auditors, before the expiry of the term of office, in exceptional circumstances. Proposals to remove auditors **must** require a majority vote of the members who **must** provide reasons for their decision to the board. There **must** be a requirement in the letter of engagement for the auditors to provide the trust with an explanation if the auditors resign, within 14 calendar days of their resignation.

The board of trustees **must** notify DFE immediately of the removal or resignation of the auditors. For removal, the trust **must** notify DFE of the reasons, copying to DFE any statement received from the auditor on this matter. For resignation, the trust **must** copy to DFE an explanation from the auditors. A change in auditor at the expiry of their agreed term of office does not require notification to DFE

- 3.4 Receiving the reports of the external auditor.
- 3.5 Receiving the reports of Internal Audit on the use of resources, systems of internal financial control, and discharge of financial responsibilities.
- 3.6 Informing the DfE/DFE if it suspects any irregularity affecting resources.

Budgets and Budgetary Control

- 3.7 Reviewing the draft financial statements prior to audit. Recommending approval of the audited financial statements to the Trust Board prior to submission to the DFE and Companies House by 31 December.
- 3.8 Formally approving the annual budgets for its academies prior to the start of each financial year from the Finance and Resources Committee.
- 3.9 Considering budgetary control reports at every meeting from the Finance and Resource Committee with relevant explanations and documentation where required at least six times per year.
- 3.10 Authorisation of all virements in excess of £100,000 between or within budget headings. Details of all virements, approved and authorised by the Finance and Resources Committee are to be formally notified to the Trust Board.

Contracts

- 3.11 Tenders other than those representing best value, or late tenders, can only be accepted by the Trust Board who shall minute the reasons for their decision. Authority to accept other than lowest quote is delegated to Finance Managers for up to £10,000, Headteachers and Academy Business Managers up to £50,000 dually authorised. Anything above £50,000 will require the authorisation of both the Chief Executive Officer and Chief Finance and Operations Officer. Ordering of goods and services beyond £100k, will require Trust Board notification and approval.
- 3.12 Maintenance of a Register of Business Interests for all Trustees/Governors and those Academy staff involved in the shortlisting or awarding of contracts.
- 3.13 Authorisation of the advertising of tenders over the higher of £100k and authorising the award of such tenders.

Income

3.14 Authorisation of the write off of debts not collectable over £5,000 must be reported to the Trust Board. Delegation is given to the Chief Finance and Operations Officer and Chief Executive Officer for debts below £5,000. Write off is a last resort and all associated paperwork will be documented and the recovery of debts policy applied. DFE approval is also needed when considering the off debts of substantial value.

Security of Assets

3.15 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 £10,000 must be reported to the Trust Board. The Chief Finance and Operations Officer and Chief Executive Officer have discretion up to £5,000, Finance and Resources Committee for anything between £5-10k.

Establishment

3.16 Authorisation of any changes to the Terms of Employment of the Chief Executive Officer, Chief Finance and Operations Officer Headteacher, and Deputy Headteachers.

3.17 Ratifying permanent changes to the Trust's establishment as recommended by the Finance and Resources Committee.

4. POWERS AND DUTIES DELEGATED TO THE FINANCE AND RESOURCES COMMITTEE AND THE AUDIT & RISK COMMITTEE OF THE TRUST BOARD

Both the Finance and Resources Committee and the Audit & Risk Committee are sub-committees of the Trust Board. They meet up to 6 times per year, but extraordinary meetings can be arranged if necessary.

The Finance and Resources Committee as governed by the Terms of Reference it shall be responsible for:

General

A requirement of the Academies Trust Handbook, produced by the DFE, is that the Trust has an Audit & Risk Committee in place. The Trust Board has agreed for the functions of the Audit & Risk Committee to be met within two committees, the Finance and Resources Committee and the Audit & Risk Committee. This fulfils the DFE requirements as the Trust income is anticipated to be above the designated financial upper limit in the Academies Trust Handbook.

All requests for the use of reserves funds require approval by the Trust Board.

Holding a meeting at least once per term (three times a year) at which matters of finance, resources, audit and risk and related items are discussed. Actions are agreed under delegated powers and key points reflected in the minutes of that

meeting. Copies of these minutes are made available to all Trustees and all Headteachers where required.

- 4.1 Exercising the powers and duties of the Trust Board in respect of the financial administration of the Academy, except for those items specifically reserved for the Trust Board and those delegated to the Chief Executive Officer, or those delegated to other staff including the Chief Finance and Operations Officer, Academy Business Managers and Finance Managers.
- 4.2 Reporting on decisions taken under delegated powers to the next meeting of the Trust Board.
- 4.3 Providing guidance to the Trust Board and other sub-committees regarding financial matters.
- 4.4 Approval of any self-assessment or financial documentation submitted to the DFE.
- 4.5 Noting any recommendations made following DfE operated Financial Management Reviews of the Trust as a custodian of public funds and agreeing an action plan for any necessary improvements.
- 4.6 Approving the Trust's Operational Financial Procedures Manual and all corresponding financial policies relating to systems of financial control.
- 4.7 Approving the disposal of assets of a current net book value of greater than £5,000 up to a value of £10,000.

Audit

- 4.8 Involvement in the selection process for internal audit provision, making a recommendation for appointment to the Trust Board. Attend a meeting with the external auditors prior to final accounts being presented to the Trust Board to discuss the accounts and in particular the contents of the management letter.
- 4.9 Agreeing a programme of works for the internal audit provision, considering key risks for the Trust.
- 4.10 Reviewing the reports of Internal Audit on the effectiveness of the financial procedures and control. These reports must also be reported to the Trust Board through the chair of the committee and the consideration of the Finance and Resources Committee and Audit and Risk Committee minutes.

Budgets and Budgetary Control

- 4.11 Agreeing a draft of the annual budget plan on behalf of the Trust Board (and for subsequent approval by them), with indicative budgetary figures for the following three years to five years.
- 4.12 Considering budgetary control reports on the Trust's financial position at every meeting, taking appropriate action to contain expenditure within the budget and monitoring achievement of value for money, and outturn costs

versus budgeted costs, for major expenditure. These matters are also reported on to the Trust Board, whilst also informing the Headteachers.

- 4.13 Reviewing the virement of sums between and within budget headings, subject to a limit of £100,000. Details of all virements approved and authorised by the Chief Executive Officer and Chief Finance and Operations Officer are to be formally notified to the Finance Audit & Risk Committee who shall minute the notification. The Chief Executive Officer and Chief Finance and Operations Officer are authorised to vire sums up to a limit of £50,000.
- 4.14 Reporting to the Trust Board about all significant financial matters, and any actual or potential overspending, including where such matters may have implications for the ongoing educational management of the Trust and/or for student outcomes.
- 4.15 Approving the write off of any bad debts that will affect the accounts, up to the limits that require DFE approval prior to submission to the Trust Board for approval.

Contracts and purchasing

- 4.16 Authorising purchases or contracts over £100,000; including agreeing the tender or procurement process prior to issue. the Chief Executive Officer and Chair of the Finance and Resources Committee will jointly authorise and then report back to the Finance and Resources Committee and/or the Trust Board.

Insurances

- 4.17 Ensuring that arrangements for insurance cover are in place and are adequate. The Academy Trust is permitted to enter the Risk protection arrangement as an alternative to insurance for Academy Trusts where losses are covered by government funds. Private insurance arrangements will be put in place for motor and engineering policies and any other risk that fall outside of the RPA arrangement.

Security of Assets

- 4.18 Ensuring that there are annual independent checks of assets and the asset register.
- 4.19 Authorising the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with an original purchase value up to £10,000 and reporting such authorisations to the Trust Board.

Personnel

4.20 To authorise permanent changes to the Academy's establishment, later ratified by the Trust Board.

5. POWERS AND DUTIES DELEGATED TO THE ACADEMY COMMITTEE OF EACH ACADEMY WITHIN THE TRUST

5.1 Academy Committees are charged with ensuring that the Academy is managing its finances well within the budget set by the Trust Board.

In order to do this, they will:

- Receive regular financial updates for discussion and feedback facilitated by the School Business Manager
- Communicate any concerns and/or requests about finance or financial management to the Trust Board through the Chair, including requests for additional funding such as for capital projects
- Receive and discuss draft budget plans, with a focus on ensuring that it is appropriately spent for the good of students and supports improvement priorities/development plans
- Maintain and review regularly the Academy's risk register, with the support of the Headteacher, senior leadership team and Business Manager.
- Sign off virements as per the Financial Scheme of Delegation table.

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

The Chief Executive Officer has delegated powers and functions in respect of the overall organisation, management and control of the Trust, including implementation of all policies approved by the Trust Board and for the direction of teaching and the curriculum. Whilst the Chief Executive Officer retains overall executive responsibility for the financial operations incorporated within the above and is referred to as the Accounting Officer for the Trust, much of the day-to-day financial management is directly delegated to the Academy Headteachers, Chief Finance and Operations Officer, Academy Business Managers and Finance Managers. The Chief Executive Officer will, however, hold direct or joint responsibility for the areas detailed below:

The Chief Executive Officer shall be responsible for: -

Accounts

6.1 The operation of financial processes within the Trust, ensuring that adequate operational controls are in place and that the principles of internal control are maintained.

6.2 Ensuring that full, accurate and up to date records are maintained for the Trust in order to provide financial and statistical information.

Audit

6.3 Ensuring that all Trust records and documents are available for audit by the appointed external auditors and by Internal Audit.

Budgetary control

6.4 Reviewing Trust income and expenditure reports and highlighting actual or potential overspending to the Finance and Resources Committee. Reviewing income and expenditure documentation highlighted by the Academy Headteachers, Chief Finance and Operations Officer, Academy Business Managers and Finance Managers, where actual or potential overspending or poor value for money is indicated and taking the appropriate action jointly with the Academy Headteacher and Chief Finance and Operations Officer to remedy the situation and for reporting this to the Finance and Resources Committee.

6.5 Monitoring on behalf of the Trust that the virement between and within budget headings is within designated academy limits and reporting such information to the Finance and Resources Committee. Approving the virement between (and within) budget headings within any year, where such virement has a value of less than £50,000 per annum.

Approving an increase or decrease in the net budget for the year up to a maximum of £50,000 per annum. In the case of additional funding, the Chief Executive Officer may increase income and expenditure, where both items are linked, estimates to match the funding available or remove capital budgets where external funding has been achieved, i.e., through Condition Improvements Funds

Contracts

6.6 Exercising the following powers and duties of the Trust Board in respect of the Financial Regulations relating to academy contracts:

- Monitoring that Trust contracts and agreements conform with the Academies Financial Regulations.
- Acceptance of quotations up to £100,000 in value.
- Receipt and custody of all tenders.
- Authorisation of senior members of staff to open tenders.
- Signing contracts on behalf of the Trust Board.
- Authorising expenditure of between £50,001 and £100,000 in value,

- g) Signing contracts together with the Academy Headteachers and Chief Finance and Operations Officer on behalf of the Finance and Resources Committee.
- h) Acting as a signatory/authoriser for the bank for both cheques and BACS payments.

Financial Management

- 6.7. Ensuring the Trust arrangements for collection of income, ordering of goods and services, payments and security of assets are in accordance with the Financial Regulations.

Security of Assets

- 6.8 Ensuring (jointly with the Academy Headteachers, Chief Finance and Operations Officer, Finance Managers and Academy Business Managers), 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.
- 6.9 Monitoring for the Trust that the authorising of the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with an original purchase value up to £5,000 takes place and reporting such authorisations to Finance Audit & Risk Committee.

Personnel

- 6.10 Monitoring for the Trust that the approving of new staff appointments within the authorised academy establishments takes place.
- 6.11 Monitoring on behalf of the Trust that the termination of staff contracts across the Trust takes place in accordance with the relevant personnel policies.

7. FINANCIAL POWERS AND DUTIES DELEGATED TO THE HEADTEACHER OF EACH ACADEMY WITHIN THE TRUST

- 7.1 The Headteacher has delegated powers and functions in respect of internal organisation, management and control of the Academy, the implementation of all policies approved by the Local Academy Committee and for the direction of teaching and the curriculum.

The Headteacher alongside the Chief Finance and Operations Officer shall be responsible for: -

Accounts

- 7.2 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.
- 7.3 Ensuring that full, accurate and up to date records are maintained for the Academy in order to provide financial and statistical information.

Audit

- 7.4 Ensuring that all Academy records and documents are available for audit by the appointed external auditors and by Internal Audit.

Budgetary control

Reviewing Academy income and expenditure reports and highlighting actual or potential overspending for the Finance and Resources Committee.

- Approving the virement between and within budget headings of over £10,000 up to £30,000 and reporting such approval for the Finance, Audit & Risk Committee.
- Ensuring appropriate accounting records alongside the Finance Managers and the Chief Finance and Operations Officer are maintained within the Academy, based on the principle of commitment accounting under the accruals concept on a going concern basis.
- Providing regular finance reports to the Local Academy Committee giving information about the spending against the approved budget; This will usually be in the form of monthly management accounts.
- Virement of resources between cost centres, provided that such virement shall not exceed limits, which will be reviewed annually.
- Profiling expenditure and income appropriately alongside business and finance managers.

Contracts

- 7.5 Exercising the following powers and duties of the Local Academy Committee in respect of the Financial Regulations relating to Contracts:
 - a) Ensuring that all contracts and agreements conform with the Academies Financial Regulations.
 - b) Acceptance of quotations up to £50,000 in value, duly authorised by the Academy Business Manager or CFOO.
 - c) Receipt and custody of all tenders.

- d) Authorisation of senior members of staff to open tenders.
- e) Signing contracts on behalf of the Local Academy Committee.

7.6 Authorisation of contracts and expenditure of up to £50,000 in conjunction with the Chief Finance and Operations Officer or SBM in the absence of the CFOO.

General Purchasing

- The authority to place orders will be limited as follows:
- There will be a limit for the purchase of individual items, which can be authorised, by the Headteacher and other approved staff, provided that the costs can be met from the Academy budget. These limits will be reviewed annually.
- There will be a limit for the purchase of individual items, which can be authorised by the Chair of the Local Academy Committee, provided that the costs can be met from the Academy budget. This limit will be reviewed annually.
- Purchases above this figure should be authorised by the Trust Board, within the limits set in the budget for the relevant year. This limit will be reviewed annually.
- Purchases above an annually reviewed limit should be authorised by the full Local Academy Committee, within the limits set in the budget for the relevant year. This limit will be reviewed annually.
- The Headteacher must not enter, on behalf of the Local Academy Committee, into any lease, hire purchase or similar agreement, of more than 12 months duration, without the approval of the Local Academy Committee and chief financial and operations officer.
- The Headteacher will ensure that the relevant tendering processes are followed where necessary. In circumstances where a quotation is accepted under delegated authority by the headteacher which is other than the lowest received, the Headteacher must report the circumstances to the Local Academy Committee.

Financial Management

7.7 Ensuring the arrangements for collection of income, ordering of goods and services, payments and security of assets are in accordance with the Financial Regulations.

Security of Assets

7.8 Ensuring that proper security is maintained at all times for all buildings, furniture, equipment, vehicles, stocks, stores, cash, information and records etc under the Headteacher's control.

7.9 Authorising the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with an original

purchase value up to £5,000 and reporting such authorisations for Finance and Resources Committee.

Personnel

- 7.10 Approving new staff appointments within the authorised establishment, once approved by the Chief Executive Officer.
- 7.11 Termination of staff contracts in accordance with the relevant personnel policies.

8. FINANCIAL POWERS AND DUTIES DELEGATED TO THE CHIEF FINANCE AND OPERATIONS OFFICER ACADEMY BUSINESS MANAGERS AND THE ACADEMY' FINANCE MANAGERS

The Chief Finance and Operations Officer, Academy Business Managers and Academy' Finance Managers work in close collaboration with the Academy Headteachers, and the Chief Executive Officer through whom they are directly responsible to the Trust Board.

The Chief Finance and Operations Officer also has direct access to the Trust Board via the Finance Audit and Risk Committee. The main responsibilities of the Chief Finance and Operations Officer, Academy Business Managers and Academy' Finance Managers are:

Banking Arrangements

- 8.1 Maintaining proper records of account and reviewing monthly bank reconciliations.
- 8.2 Maintaining proper records of account, including bank and charge card reconciliations ensuring there is an adequate segregation of duties.

Budgets and Budgetary Control

- 8.3. Regular monitoring of expenditure and income against the approved budget and submitting reports on the Academy's financial position to every meeting of the Finance and Resources Committee. Any actual or potential overspending shall be reported to the Finance and Resources Committee.
- 8.4. Preparing an annual draft budget plan for the Trust and its constituent academies for consideration by the Finance and Resources Committee before the start of the relevant financial year.
- 8.5. Approving virements between and within budget headings up to a value of £30,000 and reporting such approval to the Finance Audit & Risk Committee.

Contracts

- 8.6 The Chief Finance and Operations Officer and Academy Business Managers:

- Can authorise expenditure in line with the applicable thresholds laid out in this document.
- Can sign contracts together, with the Headteacher, on behalf of the Local Academy Committee and the Trust Finance and Resources Committee.
- Will act as a signatory/authoriser for the bank for both cheques and BACS payments.
- Will ensure that all contracts, contractual agreements, and major purchases conform with all the financial policies and procedures of the Trust and where relevant, as stated within contract law.
- Will ensure receipt, custody, and retention of all tenders.

8.7 Ensuring that all contracts and agreements conform to the Academies Financial Regulations and Academy Trust Handbook requirements.

Finance Managers/Finance Assistants will:

8.8 Maintaining a register of formal contracts entered into, amounts paid and certificates of completion.

8.9 Retention of quotes and best value forms obtained for goods, works and services.

Academy Business Managers will:

8.10 Authorisation of contracts and expenditure of up to £50,000 duly authorised by the Headteacher or CFOO.

Financial Management

The Chief Finance and Operations Officer is responsible for:

- The day-to-day management of financial issues including the establishment and operation of a suitable accounting system.
- The management of the Trust financial position at a strategic and operational level within the framework for financial control determined by the board.
- The maintenance of effective systems of internal control.
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying financial records of the Trust.
- Ensuring all forms and returns are sent to the DFE in line with all published deadlines.

Income

8.11. The Academy Finance Managers are responsible for ensuring that all income is accurately accounted for and is promptly collected and banked in line with the Financial Procedures Manual.

Information and communication systems

8.12 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

Insurances

8.13 The chief finance and operations officer is responsible for ensuring the placing of and the timely payment for adequate insurance arrangements and the seeking of best value in such provision along with identifying and costing new areas of risk cover. Also, for notifying the Trust Finance and Resources Committee on any eventuality that could affect the insurance arrangements in place at the Trust.

Orders for goods, works and services

8.14 Authorising members of staff to order or receive goods and certify invoices for payment, ensuring the appropriate division of these duties between the staff. It is expected that staff will be made aware of the applicable protocols in place and the levels of the scheme of delegation.

Payments

8.15. The Academy Finance Managers are responsible for ensuring that all invoices are correct and duly certified (in terms of receipt, cost and being in line with the original requisition), 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.

Salaries, Wages and Pensions

8.16 Notifying the payroll provider of any matters affecting payments to employees, will be the responsibility of the HR Manager, line managed by the Director of People. The Academy HR Managers are responsible for ensuring appropriate authorisation of the monthly payroll adjustment schedule affecting payments to employees. The Academy Finance Managers are responsible for checking that all payroll adjustments are correct and have been authorised. Recruitment must fit within the Academy's budget limits. Payroll is checked back to the budgeting software by both Business and Finance Managers collectively.

Security of Assets

8.17 Maintaining a permanent and continuous register of all items of furniture, equipment, vehicles and plant, will be the responsibility of the Site Manager in respect of buildings and contents. The IT equipment will be maintained by the ICT Manager.

- 8.18 The Academy Finance Managers are responsible for maintaining a permanent and continuous register of all capitalised items of furniture, equipment, vehicles and plant for accounting purposes within a fixed asset register.
- 8.19 Authorising the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with an original purchase value up to £5,000 and reporting such authorisations to Finance and Resources Committee.

9. POWERS AND DUTIES DELEGATED TO THE ACADEMY HEADTEACHER(S)

The Academy Headteacher(s) work closely with both the Chief Executive Officer and the Chief Finance and Operations Officer to support the efficient operation of the financial procedures.

The main responsibilities of the Academy Headteacher(s) are a. Contracts and Purchasing Authorising orders between £5,001 and £50,000 in conjunction with the budget holder and in consultation with Academy Business Managers and Chief Finance and Operations Officer, in line with the thresholds detailed in the scheme of delegation table.

Signing cheques / authorising BACS payments in conjunction with the Headteacher or other authorised signatory, in accordance with the Operational Financial Procedures Manual.

10. FINANCIAL POWERS AND DUTIES DELEGATED TO OTHER MEMBERS OF STAFF

General

Members of staff with delegated responsibilities should be aware that these must be exercised in accordance with the Financial Regulations.

Orders for goods, works and services

- 10.1 Other members of staff, primarily the finance teams and budget holders, will have some financial responsibilities and these are detailed in the financial procedure's manual.

All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's financial procedures.

Contracts and Purchasing

- 10.2 Designated Budget holders may authorise orders up to the value of £5,000

11. SALARIES AND WAGES

11.1 The following members of staff, in addition to the Chief Executive Officer and Chief Finance and Operations Officer are authorised to certify pay documents and time records. All records should be duly authorised by the Headteacher alongside the HR/Academy Business Managers.

- Headteacher
- Director of People
- HR Managers
- Academy Business Managers

APPENDIX A
AUTHORISATION LEVELS

Delegated duty	Value	Delegated authority
	Up to £10,000	Academy Business Managers
Virements between and within budget heads (all reported to the Trust Finance and Resources Committee)	Up to £30,000	Headteachers
	Up to £50,000	Chief Executive Officer and COO (Duly Authorised) or Academy Committee
	Up to £100,000	Trust Finance and Resources Committee
	Over £100,000	Trust Board
Cheque Signatories (Phasing Out)	Up to £1,000	Any 2 authorised signatories at Academy level.
Internal Bank Transfers	Up to £50,000	Chief Executive Officer, Headteacher, Chief Finance and Operations Officer & SBMs duly authorised. Chief Executive Officer sign off in all cases.
Internal Bank Transfers	Over £50,000	Chair of Trust Board with Chair of Finance and Resources Committee. ,
Internal Bank Transfers	Over £100,000	Chair of Trust Board with Chair of Finance and Resources Committee. or Board Approval.
BACS payment authorisation	Up to £250,000	Any 2 signatories, of which one must be either the Headteacher or Academy Business Manager, alongside another approved signatory.
BACS payment authorisation	Over £250,000	For any payments above £250,000 the Chief Finance and Operations Officer will authorise alongside the Academy Headteacher or Chief Executive Officer.
Ordering Goods and Services (raising requisition, approving and certifying orders and invoices within the budget plan) Within the Accounting System any expenditure below £10,000 will be authorised by the Finance Manager. Any expenditure above £10k requires approval by the SBM/Headteacher up to £50k. Any expenditure above £50k, up to £100k requires Chief Executive	Over £100,000	Trust Board and Chief Finance and Operations Officer within PSF
	Up to £100,000	Finance and Resources Committee and Chief Finance and Operations Officer (CFOO) within PSF
	Up to £100,000	When an urgent decision is required: The Chief Executive Officer in conjunction with the Chair of the Finance, Audit & Risk Committee reporting back to the Finance, Audit and Risk Committee and/or Trust Board and CFOO within PSF
	Up to £50,000	Headteacher and SBMS or CFOO within PSF (in absence of SBMs)
	Up to £10,000	Finance Manager within PSF

Officer approval or CFOO sign off. Any expenditure above £100k, requires FA&R committee or Trust Board approval and CFOO sign off.		
Quotations and tendering	£5,000 to £10,000	Minimum of three quotes or price comparisons received by the Finance Manager and completed best value statement. Finance Manager to approve.
	£10,000 to £50,000	Three written quotations or price comparisons & best value statement or tender where applicable, such as major capital purchases.
	Over £50,000	Formal tendering process – Detailed written specification and 3 or more formal quotations and best value statement. Or with input from external consultants/partners.
Authority to accept other than lowest quotation	Up to £50,000	SBM /Duly Authorised with Headteacher Or CFOO
	£50,000 - £100,000	CFOO and Chief Executive Officer
	Over £100,000	Finance Audit and Risk Committee or Trust Board
Disposal of assets (surplus to requirements, unusable or obsolete) Original purchase value up to	Up to £500	Headteacher and SBMs
	Up to £5,000	Chief Executive Officer and CFOO
	£5,000 to £10,000	Trust Finance, Audit & Risk Committee
	Over £10,000	Trust Board
Write-off of bad debts	Up to £5,000	Chief Executive Officer and CFOO
	£5,000 to £10,000	Trust Finance, Audit and Risk Committee
	Over £10,000	Trust Board
Signatories for grant claims / DfE returns	Any	Any two (or as required) of CFOO & Chief Executive Officer or other agreed signatory

APPENDIX B

Main financial requirements – Academy Trust Handbook 2024

The financial management requirements for academy trusts.

Financial oversight

2.1 Trustees and management must maintain robust oversight of the academy trust.

2.2 The trust must take full responsibility for its financial affairs, stewardship of assets and use resources efficiently to maximise outcomes for pupils.

Board meetings

2.3 Board meetings must take place at least 3 times a year, although trusts should consider meeting more frequently to discharge their responsibilities.

Scheme of delegation

2.4 The board cannot delegate overall responsibility for the academy trust's funds. However, it must approve a written scheme of delegation of financial powers that maintains robust internal controls. The scheme of delegation should be reviewed annually, and at the next available board meeting when there has been a change in trust management or organisational structure that would impact the effectiveness of any existing scheme of delegation.

2.5 The academy trust should have a finance committee to which the board delegates financial scrutiny and oversight, and which can support the board in maintaining the trust as a going concern.

Basic control principles

2.6 The academy trust must have sound internal control, risk management and assurance processes. This should follow a tiered approach comprising:

- clearly communicated procedures, structures, and training of staff
- appropriate day to day supervision and checks by management
- internal scrutiny overseen by an audit and risk committee
- external audit and assurance.

2.7 The control framework must:

- ensure delegated financial authorities are complied with
- maintain appropriate segregation of duties
- co-ordinate the planning and budgeting process
- apply discipline in financial management, including managing debtors, creditors, cash flow and monthly bank reconciliations
- plan and oversee capital projects including those relating to estates safety
- manage and oversee assets, and maintain a fixed asset register
- ensure regularity, propriety, and value for money in the organisation's activities
- ensure a risk register is maintained and reviewed by the board drawing on advice provided to it by the audit and risk committee
- reduce the risk of fraud and theft

- deliver independent checking of controls, systems, transactions, and risks.

Financial planning

2.8 The board of trustees must:

- ensure that financial plans are prepared and monitored, satisfying itself that the trust remains a going concern and financially sustainable
- take a longer-term view of the trust's financial plans consistent with the requirement to submit three-year budget forecasts to DFE
- set a policy for holding reserves, and explain it in its annual report, including a clear plan for managing reserves.

Setting a budget

2.9 The board of trustees, and any separate committee responsible for finance, must ensure rigour and scrutiny in budget management.

2.10 The board of trustees must approve and minute their approval of a balanced budget, and any significant changes to it, for the financial year to 31 August, which can draw on unspent funds brought forward from previous years.

2.11 The board must ensure budget forecasts for the current year and beyond are compiled accurately, based on realistic assumptions, including any provision being made to sustain capital assets, and reflect lessons learned from previous years.

2.12 It should challenge pupil number estimates as these underpin revenue projections, and review these termly.

2.13 Boards are encouraged to take an integrated approach to curriculum and financial planning.

2.14 Boards should refer to DfE's material on improving school resource management including the top 10 planning checks for boards. To help manage capital assets and budgets, including the safety of pupils and others on the school estate, they should refer to the Good estate's management for school's guidance including the organisation self-assessment tool, top 10 estate checks for boards and material on strategic estate management.

Sending your budget to DFE

2.15 The academy trust must submit to DFE, in a form specified by DFE, an Academies budget forecast return (BFR) by the end of August.

2.16 This must be approved by the trustees before submission.

2.17 The board of trustees must notify DFE within 14 calendar days of its meeting, if proposing to set a deficit revenue budget for the current financial year, which it cannot address after taking into account unspent funds from previous years, as this would be non-compliant with the funding agreement and this handbook.

Monitoring the budget

2.18 The trust must prepare management accounts, including an income and expenditure account, variation to budget report, cash flow forecasts and balance sheet every month setting out its financial performance and position.

2.19 Management accounts must be shared with the chair of trustees every month and the board must consider these when it meets and be assured that it has appropriate oversight of the trust's financial position.

2.20 The board must ensure appropriate and timely action is being taken to maintain financial viability, including addressing variances between the budget and actual income and expenditure.

Cash management

2.21 The trust must manage its cash position robustly. It must avoid becoming overdrawn on any of its bank accounts so that it does not breach restrictions on borrowing.

Investments

2.22 The board of trustees may invest to further the trust's charitable aims, but must ensure investment risk is properly managed. When considering an investment, the board must:

- have an investment policy to manage and track its financial exposure, and ensure value for money
- exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser
- ensure exposure to investment products is tightly controlled so security of funds take precedence over revenue maximisation
- ensure investment decisions are in the trust's best interests
- review the trust's investments and investment policy regularly.

2.23 The board should follow the Charity Commission's guidance: CC14 Investing charity money: guidance for trustees.

Procurement and spending decisions

2.24 The academy trust must be able to show that public funds have been used as intended by Parliament.

Procurement basics

2.25 The academy trust must ensure:

- spending has been for the purpose intended and there is propriety in the use of public funds including in relation to any actual or perceived conflicts of interest
- spending decisions represent value for money
- internal delegation levels are applied
- a competitive procurement procedure is in place and incorporated into the trust's financial framework, and the procurement rules and thresholds in the Public Contracts Regulations 20151 and Find a Tender service are observed
- professional advice is obtained where appropriate.

2.26 Trusts should refer to the Buying for schools: how to buy what you need tool to help obtain value for money and apply relevant procurement regulations.

Setting executive pay

2.27 The board of trustees must ensure its decisions about levels of executive pay (including salary and any other benefits) follow a robust evidence-based process and are a reasonable and defensible reflection of the individual's role and responsibilities. No individual can be involved in deciding their remuneration.

2.28 The board must discharge its responsibilities effectively, ensuring its approach to pay and benefits is transparent, proportionate, and justifiable, including:

- an agreed process for determining executive pay
- independent scrutiny by the board
- robust decision-making
- proportionality – that pay, and benefits represent good value for money and are defensible relative to the public sector market
- documented decision-making with rationale
- a basic presumption that executive pay and benefits should not increase at a faster rate than that of teachers, in individual years and over the longer term
- understanding that inappropriate pay and benefits can be challenged by DFE, particularly in instances of poor financial management of the trust.

Publication of executive pay

2.29 The trust must publish on its website in a separate readily accessible form the number of employees whose benefits exceeded £100k, in £10k bandings, for the previous year ended 31 August. Benefits for this purpose include salary, employers' pension contributions, other taxable benefits, and termination payments. Where the academy trust has entered into an off-payroll arrangement with someone who is not an employee the amount paid by the trust for that person's work for the trust must also be included in the website disclosure where payment exceeds £100k as if they were an employee.

Tax arrangements for senior employees

2.30 The academy trust must ensure its senior employees' payroll arrangements fully meet their tax obligations and comply with HM Treasury's guidance about the employment arrangements of individuals on the avoidance of tax. This is described in HM Treasury's Review of the Tax Arrangements of Public Sector Appointees, which explains that senior managers with significant financial responsibilities should be exclusively on payroll, and therefore subject to Pay as You Earn with income tax and NI contributions deducted at source. Failure to comply with these requirements can result in a HM Treasury fine.

Electric Vehicle (EV) Salary Sacrifice Schemes

2.31 Academy trusts must approach DFE to seek approval for the following transactions:

- entering into a new electric vehicle salary sacrifice scheme
- accepting any further employees onto an existing electric vehicle salary sacrifice scheme.

You must contact DFE early in the planning stage, both in relation to new schemes and accepting further employees onto existing schemes.

Purchase of alcohol

2.32 The trust's funds must not be used to purchase alcohol for consumption, except where it is to be used in religious services.

Income generation

2.33 The academy trust should set fees for its chargeable services at full cost but can apply an additional rate of return when in a commercial environment.

2.34 For the provision of mainstream boarding places, trusts must charge on a full cost recovery basis applying a rate of return of 8% on boarding charges. Fees and charges should be determined in accordance with DFE's guidance on Managing boarding provision and annex 6.1 of Managing Public Money.

Risk management

Oversight of risk and the risk register

2.35 The trust must manage risks to ensure its effective operation. This includes the following aspects.

- The trust must maintain a risk register.
- Overall responsibility for risk management, including ultimate oversight of the risk register, must be retained by the board of trustees, drawing on advice provided to it by the audit and risk committee.
- Other committees may also input into the management of risk at the discretion of the board
- Aside from any review by individual committees, the board should review the risk register frequently and must conduct a full review of it at least annually
- Risks management covers the full operations and activities of the trust, not only financial risks.

2.36 The trust's management of risks must include contingency and business continuity planning.

The risk protection arrangement

2.37 The academy trust must have adequate insurance cover in compliance with its legal obligations or be a member of the academies risk protection arrangement (RPA). Not all risks are covered in the RPA and therefore trusts with RPA cover may require additional commercial insurance.

2.38 The trust should consider the RPA unless commercial insurance provides better value for money. If the trust is not an RPA member, it should determine its own level of commercial insurance to include buildings and contents, business continuity, employers' and public liability insurance and other cover required.

2.39 The trust must cooperate with risk management auditors and risk managers and implement reasonable risk management audit recommendations made to them.

Whistleblowing

Having a procedure

2.40 The trustees must agree a procedure for whistleblowing, and publish it on the trust's website, to protect staff who report individuals they believe are doing something wrong or illegal.

2.41 The trust should appoint at least one trustee and one member of staff, who other staff can contact to report concerns.

Informing staff

2.42 The trust must ensure all staff are aware of the whistleblowing process and how concerns will be managed.

2.43 Staff should know what protection is available to them if they report someone, what areas of malpractice or wrongdoing are covered in the trust's whistleblowing procedure, and who they can approach to report a concern.

2.44 The trust must ensure all concerns raised with them by whistle-blowers are responded to properly and fairly.

Provision of information

General information requests

2.45 The academy trust must provide DfE, or its agents, with information DfE requires to meet funding requirements.

Information about key individuals in the trust

2.46 The trust must notify DfE of changes to the governance information, described in this section within 14 calendar days of the change and update their website and Companies House accordingly.

2.47 Notification must be through the governance section of DfE's Get information about schools (GIAS) register, accessed using DfE Sign-in.

2.48 All mandatory fields specified in GIAS for the individuals must be completed and the trust must ensure its record in GIAS for the individuals is kept up to date.

2.49 The records required in GIAS for the trust are: members, chair of trustees, all other trustees, accounting officer, chief financial officer including direct contact details for all.

APPENDIX C Approval Limits

Summary of freedoms and delegations

This summary is not a substitute for the full handbook. Trusts' delegated authorities are subject to the conditions in section [5.55](#). Trusts under an [Ntl](#) will have their delegated authorities revoked under section [6.18](#).

Type of transaction	Delegation
Novel, contentious and repercussive transactions	DfE agreement required 5.6
Staff severance and compensation	DfE agreement required if £50,000 or more before tax 5.11 and 5.16
Ex gratia payments	DfE agreement required 5.18
Writing-off debts and losses (subject to £250,000 ceiling)	DfE consent required if exceeds 1% of annual income or £45,000 individually; or 2.5% or 5% of annual income cumulatively 5.19 and 5.20
Entering into indemnities (beyond the normal course of business), guarantees or letters of comfort (subject to £250,000 ceiling)	DfE consent required if exceeds 1% of annual income or £45,000 individually; or 2.5% or 5% of annual income cumulatively 5.19 and 5.20
Acquiring freehold land and buildings	DfE agreement required 5.22
Disposing of a freehold on land and buildings	DfE agreement required 5.22
Disposing of heritage assets	DfE agreement required 5.22
Other asset disposals	Trust has full discretion 5.24
Taking up a finance lease not on the DfE approved list	DfE agreement required 5.25
Taking up a leasehold on land and buildings	DfE agreement if lease term 7 years or more 5.25
Taking up any other lease	Trust has full discretion 5.24
Granting a lease on land and buildings	DfE agreement required 5.25
GAG carry forward	No limits if trust eligible 5.29

Type of transaction	Delegation
Pooling by trusts with multiple academies	No limits (except PFI) if trust eligible 5.30
Loan, overdraft	DfE agreement required 5.32
Credit cards (for business use)	Trust has full discretion provided charges not incurred 5.32
Supplies to the trust from related parties	DfE agreement required over £40,000 and over associated limits in 5.41 unless exempt as set out in 5.41

Type of transaction	Delegation
Taking up a leasehold on land and buildings	ESFA agreement if lease term seven years or more [5.26]
Taking up any other lease	Trust has full discretion [5.25]
Granting a lease on land and buildings	ESFA agreement required [5.26]
GAG carry forward	No limits if trust eligible [5.29]
Pooling by trusts with multiple academies	No limits (except PFI) if trust eligible [5.30]
Loan, overdraft	ESFA agreement required [5.33]
Credit cards (for business use)	Trust has full discretion provided charges not incurred [5.33]
Supplies to the trust from related parties	ESFA agreement required over £40,000 and over associated limits in [5.42] unless exempt as set out in [5.42]

SPECIAL STAFF SEVERANCE PAYMENTS

DfE Approval Requirements for Severance Payments

Criteria	DfE/ESFA Approval Required?	Notes
Non-statutory/non-contractual payment of £50,000 or more	<input checked="" type="checkbox"/> Yes	Applies to any single severance payment above this threshold
Trust is under a Financial Notice to Improve (FNtI) or Notice to Improve (NtI)	<input checked="" type="checkbox"/> Yes	Approval required for any severance payment, regardless of amount
Total exit package (including pension strain, benefits, etc.) \geq £100,000	<input checked="" type="checkbox"/> Yes	Even if individual elements are below thresholds
Employee's salary exceeds £150,000	<input checked="" type="checkbox"/> Yes	Approval required for any severance payment
Statutory or contractual payments only (e.g. redundancy, notice pay)	<input checked="" type="checkbox"/> No	No approval needed if payments are strictly required by law or contract
Non-statutory payment below £50,000	<input checked="" type="checkbox"/> No	Unless other criteria (e.g. FNtI, salary > £150k) apply

APPENDIX E

FINANCIAL LEVELS

Action	Members	Trust Board	Trust Finance, Audit and Risk Committee	Academy Committee	Chief Executive Officer (CEO)	Chief Finance and Operations Officer (CFOO)	Headteacher	Academy Business Manager	Academy Finance Managers	Budget Holder	Reported
Scheme of Financial Delegation		Trust Board Approval	Prior Approval to Board	Noted	Preparer	Preparer	Noted	Noted	Noted	Financial Procedures	Finance, Audit and Risk Committee
Appointmet of Auditors	Member Approval	Recommend	Prior Approval to Members		Recommend	Recommend/ Engagement Letters		Noted	Noted		Finance, Audit and Risk Committee
Annual Accounts Approval	Noted	Trust Board Approval	Prior Approval to Board		Preparer	Preparer	Input		Input		Finance, Audit and Risk Committee
Audit Management Letter	Noted	Trust Board Approval	Prior Approval to Board		Implement	Implement	Implement	Implement	Implement	Implement	Finance, Audit and Risk Committee
Internal Audit Provision		Trust Board Approval	Prior Approval to Board	Noted	Recommend	Recommend/ Engagement Letters	Noted	Noted	Noted		Finance, Audit and Risk Committee
Register of Business Interests		Assurance	Noted	Input - Local Academy Level	Approver	Preparer	Input - Local Academy Level	Input - Local Academy Level			Finance, Audit and Risk Committee
Three Year Financial Plan		Trust Board Approval	Prior Approval to Board	Input- Note Academy Financial Plan	Consult	Preparer	Consult	Preparer	Preparer	Input	Finance, Audit and Risk Committee
Virement between budget lines (Decrease Income and Expenditure Lines		Over £100,000	Upto £100,000	Upto £50,000	Dual Authorisation Upto £50,000 - Notify FAR Committee	Dual Authorisation Upto £50,000 - Notify FAR Committee	£10,000 upto £30,000	upto £10,000			Reported to next Academy Committee and Trust Finance, Audit & Risk Committee
Transfer of Budgets or Cash between Academys		Over £100,000 (Chair of Trust Board wthi Chair of Finance, Audit & Risk Committee or Board Approval)	Over £50,000 (Chair of Trust Board with Chair of Finance Audit and Risk Committee or Board Approval)		Dual Authorisation Upto £50,000	Dual Authorisation Upto £50,000	Dual Authorisation Upto £50,000	Dual Authorisation Upto £50,000			Reported to next Trust Finance, Audit & Risk Committee or Trust Board

Action	Members	Trust Board	Trust Finance, Audit and Risk Committee	Academy Committee	Chief Executive Officer (CEO)	Chief Finance and Operations Officer (CFOO)	Headteacher	Academy Business Manager	Academy Finance Managers	Budget Holder	Reported
Banking					View	View	View	Sign off of Bank and Charge Card Reconciliations	Preare Bank and Charge Card Reconciliations		Retain for Audit Inxpection
Cheques BACs / Payment Authorisation (£250,000) (Any Two Authorised Signatories)					Any Payments Above £250,000 - Dual Authorisation	Any Payments Above £250,000 - Dual Authorisation	Any Payments Upto £250,000 - Dual Authorisation	Any Payments Upto £250,000 - Dual Authorisation	Preparer		Executive Headteacher/C FOO if payment above £250,000
Disposal of Assets		Over £10,000	£5,000 - £10,000	£500 - £5,000	upto £5,000	upto £5,000	£500	£500			Finance, Audit and Risk Committee
Ordering, Contracts and Major Purchases		Over £100,000	Over £100,000		£50,000 to £100,000- (Dual Authorised) Detailed written specification and 3 formal quotes and Best Value statement	£50,000 to £100,000- (Dual Authorised) Detailed written specification and 3 formal quotes and Best Value statement	upto £50,000 three written quotes or price comparisons & Best Value statement (Dual Authorised with Headteacher in CFOOs absence)	upto £50,000 three written quotes or price comparisons & Best Value statement (Dual Authorised with Headteacher in CFOOs absence)	upto £10,000 (3 quotations or price comparisons provided with best value statement)	upto £5000 (No evidence of quotations required) Price Comparisons Encouraged	Finance, Audit and Risk Committee
Use of Reserves		Trust Baord Approves	Committee Consider	Requst	Reivew with CFOO	Review with Chief Execuitve Officer	Request	Request			
Quotations and tendering		Over £100,000 Note Expenditure at Trust Baord alongside Formal Tender Reports - 4-5 Tenders to be obtained for approval	Over £100,000 - Inform Trust Board		£50,000 to £100,000- (Dual Authorised) Detailed written specification and 3 formal quotes and Best Value statement	£50,000 to £100,000- (Dual Authorised with Executive Headteacher) Detailed written specification and 3 formal quotes and Best Value statement	upto £50,000 three written quotes or price comparisons & Best Value statement (Dual Authorised with Headteacher in CFOOs absence)	upto £50,000 three written quotes or price comparisons & Best Value statement (Dual Authorised with Headteacher in CFOOs absence)	upto £10,000 (3 quotations or price comparisons provided with best value statement)	upto £5000 (No evidence of quotations required)Pri ce Comparisons Encouraged	Finance, Audit and Risk Committee

Action	Members	Trust Board	Trust Finance, Audit and Risk Committee	Academy Committee	Chief Executive Officer (CEO)	Chief Finance and Operations Officer (CFOO)	Headteacher	Academy Business Manager	Academy Finance Managers	Budget Holder	Reported
Write offs (Based on Purchase Value)		Over £10,000	£5,000 - £10,000		upto £5,000	upto £5,000					Reported to next Trust Finance, Audit & Risk Committee or Trust Board
Maintenance of Risk Registers		Trut Risk Register Reported	Trust Risk Register Noted / Scrutiny	Academy Risk Register Noted/Scrutiny	Review with CFOO	Review with Chief Executive Officer	Review Individual Academy Risk Registr with SBM / SLT	Review Individual Academy Risk Registr with Headteacher and SLT	With SBM identify and quantify Financial Risks		Reported to next Trust Finance, Audit & Risk Committee or Trust Board
Managemet Accounts / Month End Timetable		Report at Least Six Times Per Year	Chiar of FAR and Chair of Trustees Monthly	Report Academy Accounts	Note	Prepare to Month End Timetable	Input if required	Prepare to Month End Timetable	Prepare to Month End Timetable		Reported to next Trust Finance, Audit & Risk Committee or Trust Board, Local Academy Committees
Budget Reforecasts / Update Budget Assumptions		Approve / Review	Reivew/Srutiny and Recommend to Trust Board	Report Academy Budget Plans	Reivew with CFOO	Preparer / Reivew/Sruti ny	Input	Preparer	Preparer		Reported to next Trust Finance, Audit & Risk Committee or Trust Board, Local Academy Committees
Establishment /Terms of Employment		Chief Executve Officer	Permanent Establishement Changes	Report Establishement Changes	Approval of staff appointments with CFOO	Approval of staff appointments with Executive Headteacher	Approval of Post with Chief Executive Officer	Reflect in Budget Plans	Reflect in Budget/Financial Plans		Reported to next Trust Finance, Audit & Risk Committee or Trust Board, Local Academy Committees
		Chief Finance and Operations officer									
		Headtachers									
		Deputy Headteachers									