

ACER LEARNING TRUST



Scheme of Delegation

Prepared September 2020

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Statement of intent

In accordance with the ESFA's 'Academies financial handbook 2020' (AFH), this document outlines the delegation of financial powers within **Acer Learning Trust** and those delegated to **Holley Park Academy**, and the relevant members of staff.

This document has been implemented to ensure the trust's funds are used sensibly and in accordance with statutory guidance, and to clearly outline the responsibilities delegated by the board of trustees.

The Academy is committed to providing a high standard of education and care, whilst ensuring that value for money is achieved. The internal control systems outlined in this document will be implemented at all times with the aim of ensuring that the trust acts in an effective and transparent manner.

This Scheme of Delegation of Financial Powers has been reviewed and approved by the board of trustees and will be reviewed and updated on an annual basis.

Signed by:

David Dent

Chair of the Board of
Trustees

Date:

Glenda Wood

Chief Financial
Officer

Date:

1. Legal Framework

- 1.1. This document has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:
 - ESFA (2020) 'Academies financial handbook 2020'
 - The Companies Act 2006
- 1.2. This policy operates in conjunction with the following school policies:
 - **Academy Pay Policy**
 - **Gifts, Hospitality and Anti-Bribery Policy**
 - **Procurement and Tendering Policy**
 - **Lettings Policy**
 - **Asset Control Policy**

2. Responsibilities of the Members

- 2.1. In regards to the trust's accounts, the members are responsible for appointing external auditors, other than where the Companies Act 2006 permits the trustees to appoint.
- 2.2. In accordance with the letter of engagement, the members will vote on any proposals to remove external auditors – reasons for removing an auditor must be provided.

3. Responsibilities of the Trust Board

- 3.1. A written Scheme of Delegation of Financial Powers will be approved by the board of trustees, ensuring that there are adequate operational and monitoring controls in place for all the financial processes within the trust.
- 3.2. The board is responsible for ensuring that the trust is operating in accordance with the law, its articles of association, its charitable objects, its funding agreement and the AFH.
- 3.3. The proper stewardship of academy funds, including regularity and propriety, as well as ensuring that value for money is achieved in order to maximise outcomes for pupils, is the responsibility of the board.
- 3.4. Annual budgets will be formally approved by the board prior to the start of the new financial year.
- 3.5. Budgetary control reports from the Finance, Audit and Operations Committee will be discussed at least once per term.
- 3.6. All capital plans for the trust, as recommended by the Finance, Audit and Operations Committee, will be received and approved by the board on an annual basis.

3.7. A Declared Conflicts of Interests Register for all board members, Finance, Audit and Operations Committee members and staff with financial responsibilities will be kept and maintained by the board.

3.8. The board of trustees is responsible for the following:

External audit

- Appointing a CFO and Finance, Audit and Operations Committee to oversee financial scrutiny and oversight.
- Appointing external auditors, where the Companies Act 2006 permits it to do so – see paragraph 2.1 – and notifying the ESFA when an auditor is removed or resigns.
- Receiving the reports from the external auditor.
- Cooperating with risk management auditors and managers and implementing reasonable recommendations where necessary.
- Ensuring there is an appropriate, reasonable and timely response to the auditor’s findings.

Liaising with the ESFA

- Seeking the ESFA’s approval and meeting statutory requirements for any element of staff severance payment or compensation payment which is more than £50,000 above any contractual entitlement.
- Informing the ESFA if it suspects any irregularity affecting resources.
- Obtaining approval from the Secretary of State via the ESFA for the following transactions which are beyond the limits specified in the AFH:
 - Additional funding
 - Writing off debts and losses
 - Entering into guarantees, letters of comfort and indemnities
 - Acquiring freeholds
- Cooperating with the ESFA if they require financial information to help inform any audits of the trust they may undertake.
- Seeking approval from the ESFA for any novel, contentious or repercussive investments.
- Seeking approval from the ESFA for ex-gratia transactions.
- Notifying the ESFA if a deficit budget is proposed.
- Complying with any financial notices to improve.

Approval and authorisations

- Approving whistleblowing procedures and ensuring individuals' right to whistleblowing. At least one trustee and one member of staff will be appointed for staff to report concerns to.

Scrutiny, review and oversight

- Reviewing and approving the budget forecast return outturn before the deadline for submission to the ESFA, which is 21 May.
- Reviewing and approving the three-year budget forecast return before the deadline for submission to the ESFA, by 30 July each year.
- Maintaining complete, accurate and up-to-date records of all financial arrangements.
- Ensuring that all academies within the trust are following the recommended operational and internal controls provided by the board.
- Keeping records pertaining to related party transactions, to highlight that all transactions have been conducted in accordance with the high standards of accountability and transparency.
- Preparing and monitoring financial plans to ensure the financial health of the trust.
- Reviewing the academy's Asset Register and Risk Register on an annual basis.
- Reviewing financial reports prior to the submission of the audited financial statements to the Secretary of State by 31 December each year.
- Reviewing all pay awards, with any decisions reported to the Finance, Audit and Operations Committee.
- Including contingency and business continuity planning as part of risk management procedures.
- Ensuring sound internal control, risk management and assurance processes are in place.
- Ensuring the protocol and requirements for managing related party transactions are followed and applied across the trust.
- Ensuring the general annual grant is pooled and distributed across the trust fairly, and that an appeals mechanism is in place.
- Ensuring adequate insurance cover is obtained in compliance with legal obligations or that the trust is a member of the academies risk protection arrangement.
- Ensuring the governance statement meets the requirements of the AFH.

Appointing staff

- Appointing a Finance, Audit and Operations Committee, in line with the following requirements:
 - The Finance, Audit and Operations Committee will meet at least three times a year
 - The Finance, Audit and Operations Committee will direct the trust's programme of internal scrutiny and report to the board of trustees on the quality of the trust's financial controls and risk management procedures
 - With a clear terms of reference in place, which outlines the role of the Finance, Audit and Operations Committee, including advising on the adequacy of financial and other controls and risk management arrangements in the trust. The committee must also direct a programme of internal scrutiny and consider the results and quality of any external audit
 - Appointing a senior executive officer, who will also be the trust's accounting officer
- 3.9. The board will delegate Executive Headteacher performance management to the Chair of the Board on an annual basis, as well as any resulting pay awards.
- 3.10. All executive and senior leadership appointments will be approved by the board.
- 3.11. The chair of the board of trustees and the accounting officer are responsible for ensuring that their capacity to control and influence does not conflict with the requirements for managing connected party transactions.
- 3.12. The board of trustees will inform the ESFA if it suspects any irregularity regarding trust funds and instances of fraud or theft exceeding £5000 in a financial year.

4. Delegated powers of the C.E.O./Accounting Officer

- 4.1. The accounting officer also acts as an executive leader, and is therefore responsible for ensuring that these roles do not rotate so that there is no ambiguity about who is accountable for the financial management and integrity of the trust.
- 4.2. The accounting officer is personally responsible to Parliament, the public and to the ESFA for the financial resources under the trust's control. This does not remove the responsibility of the trustees for the proper conduct and financial operation of the trust.
- 4.3. The accounting officer is personally responsible for assuring the board of trustees that the trust is compliant with the AFH and the funding agreement.
- 4.4. The accounting officer is required to advise the board of trustees in writing if, at any time, in his or her opinion, any action or policy under consideration by them is incompatible with the terms of the articles, funding agreement or the Academies Financial Handbook (AFH).

- 4.5. The accounting officer will advise the board in writing if the board appears to be failing to act where required to do so by the terms and conditions of the AFH or funding agreement.
- 4.6. Where the board of trustees continues to act in ways not in accordance with the specified conditions, the accounting officer will consider the reasons the board gives for its decision. If the accounting officer still considers that the action proposed by the board is in breach of the articles, the funding agreement or the AFH, the accounting officer is responsible for notifying the ESFA's accounting officer immediately and in writing.
- 4.7. Each year, the accounting officer is required to complete and sign a statement on regularity, propriety and compliance, which is submitted to the ESFA along with the audited accounts.
- 4.8. Each year, the accounting officer is required to share the annual 'Dear Accounting Officer' letter from the ESFA with the trust's members, trustees, chief financial officer and other members of the senior leadership team. They must also arrange for it to be discussed by the board of trustees and take action where appropriate to strengthen the trust's financial system and controls.
- 4.9. It is the responsibility of the accounting officer to demonstrate how value for money has been achieved.

5. Delegated powers of the Finance, Audit and Operations Committee

- 5.1. The Finance, Audit and Operations Committee exercises the powers and duties delegated to the board of trustees in relation to the financial administration of the academy.
- 5.2. The Finance, Audit and Operations Committee will meet as regularly as necessary, but at least once a term.
- 5.3. Information regarding the financial performance of the trust will be reviewed by the committee at least three times a year, taking necessary action to ensure ongoing viability.
- 5.4. The committee is responsible for reviewing the academy's financial statements and highlighting any significant issues to the board of trustees, prior to submission to the Secretary of State.
- 5.5. At each meeting of the board of trustees the Finance, Audit and Operations Committee will report on decisions taken under their delegated powers.
- 5.6. The Finance, Audit and Operations Committee is responsible for reviewing the reports of the Operations Manager regarding the effectiveness of the academy's financial procedures and controls, reporting any findings to the board of trustees.
- 5.7. The annual budget will initially be reviewed by the Finance, Audit and Operations Committee prior to the start of the financial year and its acceptance, or otherwise, will be given to the board of trustees.

- 5.8. The committee will report all significant financial matters and any potential overspending to the board of trustees.
- 5.9. The Finance, Audit and Operations Committee is responsible for ensuring that appropriate insurance arrangements are in place for the academy.
- 5.10. All contracts and purchases require authorisation by the committee, and all details will be checked and reviewed.
- 5.11. Ensuring annual pay awards, including executive leaders' performance management, are reviewed on an annual basis by the committee, and recommendations for approval to the board of trustees are made. The committee will make certain executive leaders will not be involved in setting or reviewing their own remuneration.
- 5.12. Reviewing and approving all gifts received by executive leaders in line with the academy's Gifts, Hospitality and Anti-Bribery Policy.
- 5.13. Ensuring an effective Academy Pay Policy is developed and implemented.

6. Delegated powers of the Operations Manager

- 6.1. The day-to-day financial management of the academy is the responsibility of the Operations Manager, ensuring that the arrangements for the collection of income, purchasing of goods and services, payments and academy assets are in accordance with statutory regulations.
- 6.2. The Operations Manager will prepare and present an annual budget to the Finance, Audit and Operations Committee prior to the start of the year and the Board of Trustees.
- 6.3. Management accounts will be reviewed by the CEO and Operations Manager and shared monthly with the Chair of Trustees with potential overspending highlighted to the Finance, Audit and Operations Committee and Board of Trustees.
- 6.4. The Operations Manager is responsible for planning, preparing and annually updating a three-year strategic plan in line with the academy's SDP.
- 6.5. The Operations Manager will ensure that all conflicts of interest concerning staff members with financial responsibility are declared and accurately recorded.
- 6.6. The Operations Manager is responsible for ensuring that all academy bank account spending is in accordance with the specified authorisation levels.
- 6.7. Tenders can be opened by the Operations Manager when in the presence of another authorised person.
- 6.8. In liaison with the Executive Headteacher the Operations Manager, certifies the payment of salaries each month and authorises any necessary overtime.
- 6.9. Decisions regarding annual pay awards, including those in relation to non-teaching staff, will be reviewed on an annual basis by the Executive Headteacher and Operations Manager then recommendations for approval to the Finance, Audit and Operations Committee will be made.

- 6.10. The Operations Manager is responsible for ensuring that full, accurate and up-to-date records are maintained in relation to the academy's finances, and that these are available for audit by the external auditor.
- 6.11. In conjunction with the Executive Headteacher, the Operations Manager and other authorised signatories, are responsible for signing cheques on behalf of the academy.
- 6.12. Working with the Executive Headteacher the Operations Manager is responsible for ensuring that the academy bank account does not become overdrawn.
- 6.13. In liaison with the Executive Headteacher the Operations Manager, will ensure that all staff members with access to the academy's online banking have the appropriate level of authority and that the correct procedures are followed.
- 6.14. The Operations Manager is responsible for the management of the academy's financial position at a strategic and operational level within the framework of financial control, as determined by the board of trustees, maintaining effective systems of internal control within the trust.
- 6.15. The Operations Manager works with the Headteacher to ensure efficient and effective day-to-day management of the academy's finances, liaising with the Finance, Audit and Operations Committee and board of trustees as appropriate.
- 6.16. The Operations Manager is responsible for ensuring there are appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments.
- 6.17. The Operations Manager is responsible for ensuring that required information and documentation is submitted to the DfE and ESFA in line with the specified deadlines.
- 6.18. The Operations Manager is responsible for ensuring that all income is accurately accounted for and is promptly collected and banked.
- 6.19. The Operations Manager will prepare and present an annual budget to the Finance, Audit and Operations Committee prior to the start of the year.
- 6.20. The Operations Manager is responsible for notifying the payroll provider of any matters affecting payments to employees.
- 6.21. The Operations Manager will prepare an annual draft budget for consideration by the Finance, Audit and Operations Committee and board of trustees prior to the start of the academic year.
- 6.22. Management accounts are shared with the chair of trustees on a monthly basis and with other trustees at least at termly meetings.
- 6.23. If the academy is served a Financial Notice to Improve (FNTI) by the ESFA, the Operations Manager will publish this to the academy's website within 14 days of the FNTI being issued, and it will be kept on site until the ESFA lift the notice.
- 6.24. The Operations Manager is responsible for maintaining the academy's asset and risk registers.

- 6.25. In conjunction with the Headteacher and other authorised signatories, the Operations Manager is responsible for signing cheques on behalf of the academy.
- 6.26. The Operations Manager is responsible for maintaining a record of all contracts entered into by the academy, including details of payments, quotes obtained, and invoices received.
- 6.27. Where appropriate, the Operations Manager will advise the Executive Headteacher and the Finance, Audit and Operations Committee on purchasing decisions.

7. Delegated powers of other school staff

- 7.1. Designated staff members will be delegated financial responsibility in order to support the Operations Manager with the maintenance of the financial controls and procedures in operation at the academy.
- 7.2. Staff members with financial responsibility are aware of the financial regulations which they must act in accordance with.
- 7.3. The following members of staff are authorised to receive and check goods on behalf of the academy:
 - Headteacher/Deputy Headteacher
 - Administrators nominated by the Operations Manager
- 7.4. Staff members will notify the Operations Manager of any eventuality that could affect the academy's insurance arrangements, such as a school trip.
- 7.5. All staff members with financial accountability are responsible for maintaining accurate and up-to-date records regarding their actions in relation to the academy's finances.

8. General Financial Management

- 8.1. Where the trust's transactions go beyond the specified delegated authority limits, prior approval from the ESFA will be sought.
- 8.2. The trust will seek the ESFA's prior approval for borrowing from any source where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies.
- 8.3. All trust funds, including those involving debit cards and online banking, will only be used for business expenditure and all balances will be cleared before interest accrues.
- 8.4. All members of the board of trustees who hold delegated powers are responsible for ensuring that:
 - There is probity in the use of public funds.
 - Spending decisions represent value for money.
 - Internal delegation levels are applied within the trust at all times.

- A competitive tendering policy is implemented.
 - The Official Journal of the European Union (OJEU) procurement thresholds are observed.
 - Relevant professional advice is obtained, where appropriate.
- 8.5. The trust will disclose aggregate figures for all transactions of any amount, and separate disclosure for individual transactions above £5,000, in their audited accounts for the transactions outlined in the AFH.
- 8.6. Relevant financial procedures implemented within the trust are outlined in the following academy policies:
- Academy Pay Policy
 - Gifts, Hospitality and Anti-Bribery Policy
 - Lettings Policy
- 8.7. All special payments, including staff severance of any value, will be disclosed in total and individually.
- 8.8. All ex-gratia payments will be referred to the ESFA for prior authorisation.
- 8.9. The academy trust has delegated authority to approve individual compensation payments, provided that any non-contractual element is under £50,000. Where the payment is above this amount, the ESFA's prior approval will be obtained.
- 8.10. All members, trustees, local governors, employees and accounting officers with financial responsibility are required to record the details of any relevant business and pecuniary interests – relevant material interests arising from family relationships must also be details. This register will be published on the trust's website: www.holleyparkacademy.co.uk
- 8.11. All members, trustees, local governors, employees and their relations, and organisations are responsible for ensuring that their connections to the trust are not used for personal financial gain.
- 8.12. Prior approval of the ESFA will be sought for all transactions with connected parties that are perceived as novel, contentious or repercussive.
- 8.13. Prior approval of the ESFA will be sought when writing-off debts and losses and entering into guarantees, letters of comfort or indemnities.
- 8.14. The trust will always pursue recovery of amounts owed to it, overpayments and payments made in error, irrespective of how they came to be made.
- 8.15. No payments will be made to trustees unless such payments are permitted by the trust's articles of association or by express authority from the Charity Commission and the payments comply with the terms of any agreements entered into with the Secretary of State.

- 8.16. In accordance with the specified authorisation levels, prior approval will be obtained for purchases and payments as necessary, including from external parties such as the ESFA and Charity Commission.
- 8.17. All agreements between the trust and an individual or organisation will be on the basis of an open book agreement, including a requirement for the supplier to demonstrate, if requested, that their charges do not exceed the cost of supply.
- 8.18. All agreements between the trust and an individual or organisation will be supported by a statement of assurance from the individual or organisation confirming that their charges do not exceed the cost of the goods or services supplied.
- 8.19. The DfE's 'Get Information About Schools' (GIAS) will be kept up-to-date and the ESFA will be notified about any changes relating to governance information.

9. Policy review

- 9.1. This policy is reviewed annually by the board of trustees, or sooner if updates to the AFH require changes to be made.
- 9.2. Any changes to this policy will be communicated to members of staff by the Executive Headteacher.
- 9.3. The scheduled review date for this policy is September 2021.

Authorisation levels

Duty	Value	Delegated authority	Method	Review period
Virements of budget provision between budget headings	Up to £10,000	Operations Manager	Report to the board of trustees.	As required
	£10,001 to £30,000	Operations Manager with approval from the Finance, Audit and Operations Committee		
	Over £30,000	Finance, Audit and Operations Committee		
Ordering goods and services within the agreed budget	Up to £2,000	Operations Manager	Selection from preferred supplier list, unless otherwise agreed with the Operations Manager.	Monthly
	£2,001 to £10,000	Operations Manager/Executive Headteacher	Minimum of three quotes required and report to Executive Headteacher.	
	£10,001 to £30,000	Operations Manager/Executive Headteacher with the approval of the Finance, Audit and Operations Committee	Minimum of three quotes required and report to Finance, Audit and Operations Committee.	
	£30,001 to £100,000	Finance, Audit and Operations Committee – reporting to the board of trustees.	Formal tendering process, including advertising in the OJEU where necessary.	
	Over £100,000	Board of trustees		
Signatories for cheques, BACS payment authorisations, bank	Any	Executive Headteacher, Operations Manager and other specified personnel	Two signatories per transaction are required.	Weekly

Duty	Value	Delegated authority	Method	Review period
transfers, ESFA grant claims and ESFA returns				
Authorising invoices	Up to £10,000	Executive Headteacher, Operations Manager and Headteacher	Formal tendering process, including advertising in the OJEU where necessary.	As required
	£10,001 to £30,000	Executive Headteacher/Operations Manager with approval of the Finance, Audit and Operations Committee		
	£30,000 to £100,000	Finance, Audit and Operations Committee – reporting to the board of trustees.		
	Over £100,000	Board of trustees		
Collecting income	Up to £5,000	Executive Headteacher Operations Manager, Headteacher, Office Manager, Office Administrator		
	£5,001 to £10,000	Executive Headteacher Operations Manager, Headteacher Office Manager		
	£10,001 to £100,000	Finance, Audit and Operations Committee		
	Over £100,000	Board of trustees		
Unbudgeted expenditure	Up to £5,000	Operations Manager	Reported to the Finance, Audit and Operations Committee.	As required
	Up to £15,000	Executive Headteacher/Operations Manager		

Duty	Value	Delegated authority	Method	Review period
	£15,000 to £50,000	Finance, Audit and Operations Committee	Reported to the board of trustees.	
	Over £50,001, but within the trust's reserves	Board of trustees		
Banking cash and cheques	Any	Executive Headteacher Operations Manager Headteacher Office Manager Office Administrator	Cash and cheques kept on the school property will not accumulate above £1,000. Banking will be checked and agreed by another member of staff.	As required
Disposal of assets	Up to £1,000	Operations Manager Executive Headteacher	Original cost, maintaining the principles of regularity, propriety and value for money.	As required
	£1,001 to £10,000	Finance, Audit and Operations Committee		
	Over £10,000	Board of trustees		
	Over £45,000	Board of trustees		
	Land, buildings and heritage assets	Board of trustees plus prior written approval of the ESFA		
Acquiring of assets	Freehold of land or buildings	Board of trustees plus prior written approval of the ESFA		
Writing-off debts	Up to £1,000	Operations Manager, reporting to the Finance, Audit and Operations Committee	Anything above these limits requires approval by the Secretary of State through the ESFA.	Annual
	£1,001 to £10,000	Finance, Audit and Operations Committee		
	Below 1% of total annual income or £45,000 (whichever is smaller) per single transaction subject to a maximum of £250,000	Board of trustees and the ESFA where applicable		

Duty	Value	Delegated authority	Method	Review period
Special payments, including staff severance and compensation payments	Up to £49,999	Board of trustees		As required
	£50,000 and above	Board of trustees plus ESFA approval before an offer is made to the employee		
Ex-gratia payments	Any	ESFA prior approval required		As required
Novel or contentious payments	Any	Board of trustees plus prior ESFA approval		
Bank cards and online banking	Up to £5,000	Operations Manager, Headteacher and designated budget holders	Charge cards will be kept in a safe and secure location when not in use. Orders require checking by another delegated authority.	Monthly
Leasehold or tenancy agreement exceeding seven years	Any	Board of trustees plus prior ESFA approval		As required
Borrowing	Any	ESFA approval required		As required