HOLYWELL CHURCH OF ENGLAND ACADEMY

Scheme of Delegation of Financial Powers

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Responsibility	All staff and the governing body
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At Holywell, our vision is that everyone in our community chooses to "Live Life in all its Fullness" (John 10:10).

Inspired by the teaching of Jesus, the Good Shepherd, we choose …
to live our values,
being the best we can be
in community.

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○ Statement of intent

In accordance with the ESFA's 'Academy Trust Handbook' (ATH), this document outlines the delegation of financial powers within Holywell School.

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.

Holywell is committed to providing a high standard of education and care, whilst ensuring that value for money, high standards of financial propriety, compliance with Holywell's legal responsibilities and efficient use of resources is achieved. The internal control systems outlined in this document will be implemented at all times with the aim of ensuring that Holywell acts in an effective and transparent manner.

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

1. Legal framework

- This scheme of delegation has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:
  - ESFA ‘Academy trust handbook (ATH)’ (updated annually)
  - The Companies Act 2006
- This policy operates in conjunction with the following academy policies:
  - Pay Policy - Teaching Staff
  - Pay Policy – Support Staff
  - Gifts, Hospitality and Anti-Bribery Policy
  - Purchasing Policy
  - Lettings Policy
  - Assets and Fixed Assets Policy
  - Finance Policy

2. Responsibilities of Holywell members

- In regard to Holywell’s accounts, the members are responsible for appointing external auditors, other than where the Companies Act 2006 permits the trustees to appoint.
- 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 Holywell board of Governors

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

- A Declared Conflicts of Interests Register for all board members and staff with financial responsibilities will be kept and maintained by the board of trustees.

- The board of trustees is responsible for the following:

a) External audit
   - Appointing an audit and risk committee to advise the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and risk management arrangements, to direct a programme of internal scrutiny and to consider the results and quality of external audit. The audit and risk committee role has been included in the terms of reference for the Business Committee and there is a standard agenda item on audit and risk at each Business Meeting.
   - Appointing external auditors, where the Companies Act 2006 permits it to do so 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.
   - Ensuring that the external audit contract is retendered at least every five years and considers the audit and risk committees fulfilment of duties outlined in the points in 4.17 of the Academy Trust Handbook.

b) 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 ATH:
     - 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.
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   - 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.

c) Approval and authorisations
   - Approving whistleblowing procedures, which are published on the trust's website, and ensuring individuals' right to whistleblow. At least one trustee and one member of staff will be appointed for staff to report concerns to.

- Signing the ESFA’s contact form to request ESFA approval prior to any transaction taking place that goes beyond the academy trusts delegation limits.
- Obtaining prior ESFA approval before making a special staff severance payment where:
  - An exit package which includes a special severance payment is at, or above, £100,000.
  - The employee earns over £150,000.
  - Ensuring there’s awareness of the risk of cybercrime and ensuring there are proportionate controls to allow appropriate action to be taken where a cyber security incident has occurred; the trust will obtain permission from ESFA to pay any cyber ransom demands, where applicable.

d) 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 the academy is 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 trust remains a going concern and ensure consistency and scrutiny in budget management.
- Maintaining and 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.
- 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 within the academy.
- Ensuring the general annual grant is used appropriately.
- 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 ATH.
- Ensuring annual pay awards, including the headteacher’s 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.

- Reviewing and approving all gifts received by executive leaders in line with the academy's Gifts, Hospitality and Anti-Bribery Policy.
- Ensuring an effective Academy Pay Policy is developed and implemented.
- Ensuring the analysis of pay information to identify and explore any gender pay gaps, challenges to achieving pay equality in the trust and any successes.

e) Appointing staff
- Appointing an audit and risk committee, in line with the requirements of the ATH ie. to have a dedicated audit and risk committee, which may be combined with another committee. At Holywell, this is part of the remit of the Business Committee and there is an Audit and Risk standing item on the agenda of each meeting. This ensures that the 'audit and risk committee' meet at least three times a year
- The audit and risk 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 clear terms of reference in place, which outlines the role of the audit and risk 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 leader, who will also be the trust's Accounting officer
- When a senior executive leader (accounting officer) is planning to leave the trust, the board will approach their Regional Schools Commissioner (RSC) in advance to discuss their structure and options, including plans for recruitment.
- The board will delegate performance management across the trust to the relevant senior leader or relevant committee via the scheme of delegation - at Holywell, this is the Headteacher.
- If an academy is served a Notice to Improve (NtI) by the ESFA, the School's Business Manager (SBM) will publish this to the academy's website within 14 days of the Notice to Improve being issued, and it will be kept on site until the ESFA lifts the notice.
- All executive and senior leadership appointments will be approved by the board.
- 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.
- 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 responsibilities of the accounting officer

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.

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.

The accounting officer is personally responsible for assuring the board of trustees that the trust is compliant with the ATH and the funding agreement.
The accounting officer is required to advise the board of trustees in writing if, at any time, in their opinion, any action or policy under consideration by them is incompatible with the terms of the articles, funding agreement or the ATH.

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 ATH or funding agreement.

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 ATH, the accounting officer is responsible for notifying the ESFA's accounting officer immediately and in writing.

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.

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.

It is the responsibility of the accounting officer to demonstrate how value for money has been achieved.

5. Delegated powers of the Business Committee (including the audit and risk committee)

The Business Committee exercises the powers and duties delegated to the board of trustees in relation to the financial administration of the academy.

The Business Committee (including the audit and risk committee) will meet as regularly as necessary, but at least once a term.

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.

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.

At each meeting of the board of trustees the Business Committee will report on decisions taken under their delegated powers.

The Business Committee is responsible for reviewing the reports of the trust's Finance Director regarding the effectiveness of the academy's financial procedures and controls, reporting any findings to the board of trustees.

The annual budget will initially be reviewed by the Business Committee prior to the start of the financial year and its acceptance, or otherwise, will be given to the board of trustees.

The committee will report all significant financial matters and any potential overspending to the board of trustees.

The academy's five-year capital plan will be reviewed on an annual basis.

The Business Committee is responsible for ensuring that appropriate insurance arrangements are in place for the academy.

The purchase of goods and services, in line with the agreed authorisation levels outlined in Appendix A, will be authorised by the Business Committee and reported to the trust board.

Expenditure on goods and services above £60,000 in value will be authorised by the audit and risk committee.

The Business Committee will direct the authorisation for goods and services, as necessary, in line with Appendix A.

The Business Committee will provide advice to the board regarding the maintenance of a risk register

6. Delegated powers of the headteacher

The day-to-day financial management of the academy and its staff is the responsibility of the headteacher, ensuring that the arrangements for the collection of income, purchasing of goods and services, payments and academy assets are in accordance with statutory regulations.

The headteacher will prepare and present a draft budget and present this to the board of trustees for approval.

Management accounts will be reviewed by the headteacher, with potential overspending highlighted to the Business Committee and board of trustees.

The headteacher is responsible for planning, preparing and annually updating a three-year strategic plan in line with the academy's School Improvement Plan, in collaboration with the Finance Director.

The headteacher is responsible for preparing a five-year capital plan for recommendation to the board of trustees, in collaboration with the Finance Director.

The headteacher will ensure that all conflicts of interest concerning staff members with financial responsibility are declared and accurately recorded.

The headteacher is responsible for ensuring that all academy bank account spending is in accordance with the specified authorisation levels.

Tenders can be opened by the headteacher when in the presence of another authorised person.

In liaison with the SBM, the headteacher certifies the payment of salaries each month and authorises any necessary overtime.

Annual pay awards, including those in relation to non-teaching staff, will be reviewed on an annual basis by the headteacher and recommendations for approval to the board of trustees will be made.

The headteacher 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.

In conjunction with the SBM and Finance Director and other authorised signatories, the headteacher is responsible for signing cheques on behalf of the academy.

Working closely with the SBM and the Finance Director, the headteacher is responsible for ensuring that the academy bank account does not become overdrawn.

In liaison with the SBM and the Finance Director, the headteacher 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.

Publishing any Notices to Improve (NtI) issued by the ESFA to the trust's website within 14 days of the NtI being issued, and it will be keeping it on site until the ESFA lift the notice.

7. Delegated powers of the School Business Manager (SBM) and Finance Director

The SBM and the Finance Director are 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.

The SBM works closely with the Finance Director to ensure efficient and effective day-to-day management of the academy's finances, liaising with the Business Committee and board of trustees as appropriate.

The SBM and the Finance Director are responsible for ensuring there is an appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments.

The SBM and the Finance Director are responsible for ensuring that required information and documentation is submitted to the DfE and ESFA in line with the specified deadlines.

The SBM and the Finance Director are responsible for ensuring that all income is accurately accounted for and is promptly collected and banked.

The Finance Director will assist the headteacher in preparing and presenting an annual budget to the Business Committee prior to the start of the year, in collaboration with the SBM.

In liaison with the headteacher, the SBM certifies the payment of salaries each month and authorises any necessary overtime.

The SBM is responsible for notifying the payroll provider of any matters affecting payments to employees.

Management accounts are shared with trustees on a monthly basis.

The SBM and the Headteacher are responsible for maintaining the academy's asset and risk registers.

The SBM is responsible for maintaining a record of all contracts entered into by the academy, including details of payments, quotes obtained and invoices received.

Where appropriate, the SBM and the Finance Director will advise the headteacher and the Business Committee on purchasing decisions.

8. Delegated powers of other school staff

Designated staff members will be delegated financial responsibility in order to support the headteacher with the maintenance of the financial controls and procedures in operation at the academy.

Staff members with financial responsibility are aware of the financial regulations which they must act in accordance with.

The following members of staff are authorised to receive and check goods on behalf of the academy:

- Budget holders
- Administrators nominated by the budget holder

Appointed budget holders are responsible for checking and certifying monthly statements of expenditure against the delegated budget, reporting any potential overspending to the Finance Director.

Staff members will notify the Finance Director of any eventuality that could affect the academy's insurance arrangements, such as a school trip.

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.

9. General financial management

Where the academy's transactions go beyond the specified delegated authority limits, prior approval from the ESFA will be sought, regardless of the source of funds.

The academy 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.

Before the transaction takes place, the academy will use the ESFA's contact form to request ESFA approval for any transactions beyond the delegation limits.

All academy funds, including those involving credit cards and online banking, will only be used for business expenditure and all balances will be cleared before interest accrues.

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.

The academy 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 ATH.

Relevant financial procedures implemented within the trust are outlined in the following academy policies:

- Academy Pay Policy
- Gifts, Hospitality and Anti-Bribery Policy
- Purchasing Policy
- Lettings Policy
- Assets and Fixed Asset Policy

All special payments, including special staff severance of any value, will be disclosed in total and individually.

All ex-gratia payments will be referred to the ESFA for prior authorisation.

The academy 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.

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: Governor Information - Register of Governor Interests

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.

Prior approval of the ESFA will be sought for all transactions with connected parties that are perceived as novel, contentious or repercussive.

Prior approval of the ESFA will be sought when writing-off debts and losses and entering into guarantees, letters of comfort or indemnities or entering into indemnities which are not in the normal course of business.

The academy will always pursue recovery of amounts owed to it, overpayments and payments made in error, irrespective of how they came to be made.

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.

In accordance with the specified authorisation levels in Appendix A, prior approval will be obtained for purchases and payments as necessary, including from external parties such as the ESFA and Charity Commission.

All agreements between the academy 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.

All agreements between the academy 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.

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.

10. Monitoring and review

This document is reviewed annually by the board of trustees, or sooner if updates to the ATH require changes to be made.

Any changes to this policy will be communicated to members of staff by the headteacher.

Authorisation Levels

Duty	Value	Delegated authority	Method	Review period
Virements of budget provision between budget headings	Up to £10,000	Headteacher		As required
	£10,001 to £30,000	Headteacher with approval from the Finance Committee		
	Over £30,000	Finance Committee	Report to the board of trustees	
Ordering goods and services within the agreed budget	Up to £2,000	Budget holder and FD	Selection from preferred supplier list, unless otherwise agreed with the School Business Manager (SBM) / Finance Director (FD).	Monthly
	£2,001 to £10,000	Budget holder/DHT and FD	Minimum of three quotes required	
	£10,001 to £60,000	Budget Holder/DHT and FD	Minimum of three quotes required	
			Formal tendering process, including advertising in the OJEU where necessary.	
	Over £60,000	Approval of ABC and Headteacher		
Signatories for cheques, BACS payment authorisations, bank transfers, ESFA grant claims and ESFA returns	Any	Headteacher, SBM/FD and other specified personnel	Two signatories per transaction are required.	Weekly
Authorising invoices	Up to £60,000	DHT/FD		As required
	Over £60,000	Headteacher	Formal tendering process, including advertising in the OJEU where necessary.	
Collecting income		FD		
Unbudgeted expenditure	Up to £60,000	FD/DHT		As required
	Over £60,000	Headteacher	Reported to the Finance Committee and Board of Trustees.	
Banking cash and cheques	Any	FD	Cash and cheques kept on the school property will not	As required

			accumulate above £1,000. Banking will be checked and agreed by another member of staff.	
Disposal of assets	Up to £500	FD/SBM	Original cost, maintaining the principles of regularity, propriety and value for money.	As required
	Over £500	Headteacher/Governing Body		
Acquiring of assets	Freehold of land or buildings	Board of trustees plus prior written approval of the ESFA		
Writing-off debts	Up to £45,000	FD/Headteacher	Anything above these limits requires approval by the Secretary of State through the ESFA.	Annual
	above 1% of total annual income or £45,000 (whichever is smaller) per single transaction subject to a maximum of £250,000	ABC/Board of trustees and the ESFA where applicable		
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 £2,500	SBM, 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	Any	Board of trustees plus prior ESFA approval		As required

exceeding seven years				
Borrowing	Any	ESFA approval required		As required