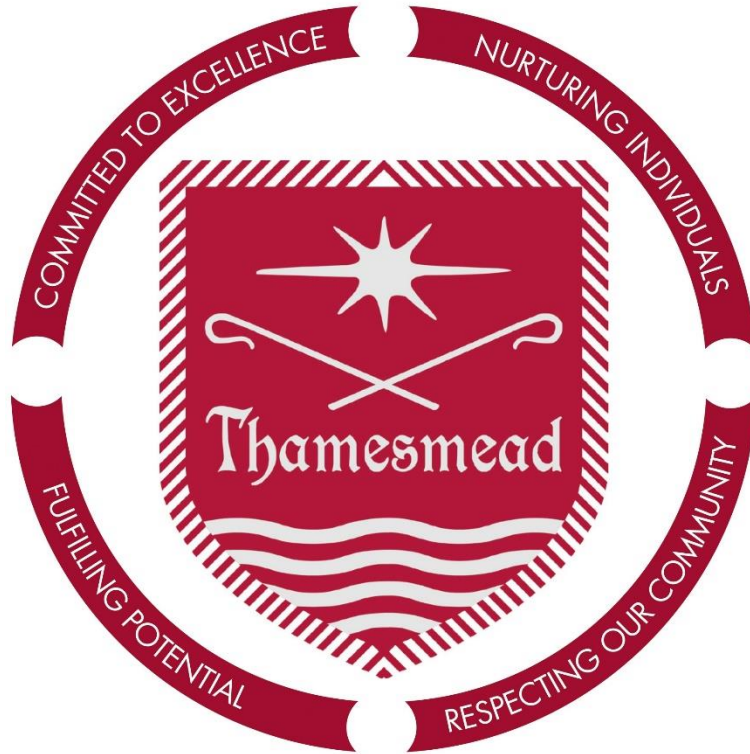


THAMESMEAD SCHOOL



SCHEME OF FINANCIAL DELEGATION

Policy Document

Person Responsible	J. Seymour
Governors Committee	Resources
Review period	Annually
Date of review	Autumn 2020
Date of next review	Autumn 2021

FINANCIAL OVERSIGHT	Level of Responsibility				
	Area of Responsibility	Governing Body	Resources Committee	Accounting Officer/ Headteacher	Other Staff Member
Ensure the Academy complies with charity law, the requirements of Companies House, the DFE, the ESFA, the Academies Financial Handbook and the requirements of any other legislation including Charity Commission guidance.	✓				
Ensure that the Academy does not breach any of the requirements or rules set out in its Articles of Association	✓				
Ensure the Academy's compliance with the Academies Financial Handbook (AFH), Funding Agreement and all relevant aspects of company and charitable law.			✓		
Ensure that the Academy 's register of interests is completed and updated in accordance with AFH para 3.1.16					Governor Support Officer
Ensure the Academy operates with regularity, propriety and VFM			✓		
Ensure that proper financial records and accounts are kept and delegate the delivery of these processes to the Business Manager.			✓		
Have responsibility for the management of opportunities and risks			✓		
Approve the Academy's written scheme of delegation of financial powers (delegated powers)		✓			
Ratify the Academy's written scheme of delegation of financial powers as recommended by the Resources Committee	✓				
Approve the Academy's financial procedures and policies.		✓			
Ratify the school's financial policies as recommended by the Resources Committee	✓				
Ensure approval is obtained from the Secretary of State before borrowing.		✓			
Ensure that all relevant financial updates are brought to the attention of the Resources Committee / Governing Body.				✓	Business Manager

Ensure that 'Dear Accounting Officer' letters are shared as stated in the Academies Financial Handbook			✓	
Consider all relevant financial updates and advise the Governing Body of any issues affecting the school's financial administration.		✓		
Maintain and regularly review the Risk Register for the Academy		✓		
Ensure that appropriate procedures are in place for whistleblowing, including making sure that staff know who to report their concerns to	✓			

FINANCIAL PLANNING, MONITORING & REPORTING	Level of Responsibility			
	Area of Responsibility	Governing Body	Resources Committee	Accounting Officer/ Headteacher
Budget Setting				
Prepare the school's draft annual budget based on historic costs, curriculum and staffing needs, the agreed priorities of the school as set out in the School Development Plan and any other relevant information.			✓	Business Manager and SFO
Consider and approve the draft school budget, ensuring that it is balanced using unspent brought forward funds where necessary.		✓		
Ratify the school's annual budget and minute that it has done so.	✓			
Submit a copy of the approved budget to the ESFA by the required deadline, currently 31 st July.			✓	Business Manager and SFO
Notify the ESFA within 14 days if the Academy is formally proposing to set a deficit revenue budget for the financial year.	✓			
School Development Plan – financial implications				
Prepare a fully costed School Development Plan setting out the aims of the school.			✓	

Secure the implementation of the School Development Plan with the collective support of the school staff and the Governing Body			✓	
Agree the expenditure proposed in the School Development Plan		✓		
Approve the School Development Plan	✓			
Review expenditure on the School Development Plan on a termly basis		✓		
Review the progress of the School Development Plan on a termly basis.	✓			
Medium Term Budgeting				
Prepare a three-year medium-term budget (MTB) on the basis of the cost of current policies, the proposals for change (drawn from the School Development Plan) and estimates of the level of future resources. The budget will reflect the best estimate of the resources available and detail how those resources will be utilized.			✓	Business Manager and Senior Finance Officer (SFO)
Consider the school's MTB in the light of the development plan and the level of future resources.		✓		
Ratify the school's MTB and review this document in the light of any significant factors that come to the attention of the Governing Body.	✓			
Annual Timetable for Budget Management				
31 May - Submit outturn figures to ESFA 29 Sep – Submit Budget Return to ESFA 31 January – Financial Statements and Accounting Policies submitted to Secretary of State 31 January - Complete and return Academies Accounts Return 28 February - Publish statutory accounts on Academy website 31 May – Submit Annual Statements to Companies House			✓	Business Manager and SFO Governor Support Officer External Auditors
Ensure that committee meetings are timetabled taking into consideration financial deadlines.		✓		

Arrangements for Financial Reporting to the ESFA				
Prepare a Financial Statement preparation and audit timetable that enables 31 December deadline to be achieved including a date of a Governors meeting at which the annual accounts will be approved.				External Auditors/ Business Manager and SFO
Approve the Financial Statement preparation and audit timetable.	✓			
Prepare the year-end accounts and other returns required by the ESFA for consideration by the Headteacher.				Business Manager and SFO
Approve all year-end accounts and any financial returns required by the ESFA.	✓ Ratify	✓		
Benchmarking				
Undertake benchmarking exercises on an annual basis for review by the Resources Committee.				Business Manager and SFO
Consider the benchmarking work undertaken by the school and propose changes, as required, to ensure that the school budget achieves value for money.		✓		
Agree KPI's for the Academy		✓		
Budget Monitoring and Control				
Advise the Resources Committee and Governing Body of all budget movements (e.g. virements, allocation of additional funding, etc) undertaken where not otherwise approved in advance by the Resources Committee or Governing Body			✓	Business Manager and Senior Finance Officer
Review all budget movements undertaken (including virements), ensuring that the reasoning for the movements is sound.		✓		
Agree procedures to ensure that any significant changes to the approved budget are notified to them for their consideration and approval.		✓		
Monitor and control expenditure against the budget during the financial year including: - monthly reports to the Headteacher - preparation and approval of quarterly reports for the Resources Committee and			✓	Business Manager and Senior Finance Officer

Governing Body				
Review expenditure against the budget during the financial year using quarterly reports provided.		✓		
Oversee the quarterly budget monitoring reports and the projected out-turn position.	✓			
Ensure that expenditure is authorised within delegated authorities: - planned expenditure included within approved budget and School Development Plan to be authorised using delegated financial management procedures as detailed in the Finance Procedures Manual - additional expenditure up to £5,000 to be authorised by Headteacher - additional expenditure over £5,000 to be approved by Resources Committee - emergency expenditure over £5,000 to be approved by Chair of Resources, or Vice Chair in their absence, and reported at next Resources Committee meeting		✓	✓	Business Manager/ SFO
Ensure that earmarked funds and large or trading activities are separately monitored and reported to governors.			✓	Business Manager/ SFO
Monitor earmarked funds, trading activities and large school operations, (e.g. catering, sports facilities, extended school activities, hirings, etc) to ensure that the allocations are spent in accordance with the recognised terms and within the allocation set out in the budget.		✓		Business Manager /SFO
Leasing				
Seek and obtain prior approval from the Secretary of State (via the ESFA) for: - taking up a finance lease on any class of asset for any duration - taking up a leasehold or tenancy agreement on land or buildings for a lease term of more than 5 years - granting a leasehold or tenancy agreement on land or buildings for a lease term of more than 5 years	✓	✓		
Approve the taking up of operating leases on assets other than land and buildings maintaining the principles of regularity,		✓	✓	

propriety and value for money. Delegated limits of expenditure to be used for approval of leases. In cases where approval is needed urgently the Chair of Resources, or Vice Chair in their absence, can take this decision which should be reported at next Resources Committee meeting				
Sign all approved lease documents			✓	
The maintenance of a register of all leases held by the school.				SFO
Acquisition and disposal of fixed assets				
Review the policy for the disposal of surplus stock and equipment and property, other than land and buildings, which ensures best value for the academy.		✓		
Approve the policy for disposal of surplus stock and equipment and the sale of property, other than land buildings.	✓			
Authorise items for disposal up to a residual value of £5000			✓	
Authorise items for disposal above a residual value above £5000 up to £25000.		✓		
Authorise items for disposal above a residual value over £25000	✓			
Seek written approval from the Secretary of State, via the ESFA, for: - acquiring freehold on land or buildings - disposing of a freehold on land or buildings - disposing of any heritage assets	✓			
To determine a value above which assets should be recorded on the school's inventory, currently £250/capitalisation £5000		✓		
To determine a value above which assets should be capitalized, currently £5000		✓		
The security of physical assets.				Business Manager
The notification of any changes in physical assets to the inventory coordinator.				Budget Holders
Notification to be received of discrepancies in the inventory above £5,000.		✓		

The physical inspection of the inventory on an annual basis or through an on-going programme of (random) sample checks.				External/ internal audit
Severance payments				
Consider and approve staff severance payments above statutory or contractual entitlements up to £50,000, following professional advice from the Academy's Personnel consultants. Payments above this amount need to be approved by the ESFA.	✓			
Compensation payments				
Consider and approve compensation payments where any non-statutory/non-contractual element is under £50,000 made in accordance with guidance in the Academies Financial Handbook. Payments above this amount need to be approved by the ESFA.	✓			
Ex gratia payments				
Ensure that all ex gratia payments are authorized by the ESFA.	✓			
Fraud				
Ensure that the ESFA are notified, as soon as operationally practicable, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually or £5,000 cumulatively in any academy financial year. This includes fraud perpetrated by external individuals or organisations.		✓	✓	
Novel or contentious payments				
Ensure all novel and contentious transactions are referred to the ESFA for prior authorization.	✓			
INTERNAL CONTROL	Level of Responsibility			
Area of Responsibility	Governing Body	Resources Committee	Accounting Officer/ Headteacher	Other Staff Member
Purchasing – provision of goods and services				
Approve and review Tendering Policy		✓		

Monitor purchasing regulations to ensure compliance by the school.			✓	Business Manager
Review contracts on an on-going basis (and as part of ensuring the school continues to achieve 'best value')		✓		
Purchasing – provision of goods and services				
Ensure that a minimum of three written quotes are obtained for purchases and contracts valued at over £3,000 (£5,000 for works) and up to a value of £25,000 (£50,000 for works) Ensure work is awarded within the delegation authorities: - Headteacher up to £5000 - Resources Committee over £5000 - emergency expenditure over £5,000 to be approved by Chair of Resources, or Vice Chair in their absence, and reported at next Resources Committee meeting		✓	✓	
Purchasing – provision of goods and services				
Ensure that an invitation to tender is obtained for purchases and contracts valued between £25,000 (£50,000 for works) and OJEU limits. Make decision on the award of the tender		✓		
Ensure that EU regulations are applied for all contracts with a value over the OJEU threshold at the time the contract is tendered	✓			
Ensure current copies of insurance certificates/H&S statements are held on file for contractors used by Academy				Business Manager to oversee
Supervise contractors and service providers on an ongoing basis to ensure the receipt of best value for money and compliance with legislation.				Business Manager
INTERNAL CONTROL	Level of Responsibility			
Area of Responsibility	Governing Body	Resources Committee	Accounting Officer/ Headteacher	Other Staff Member
Orders for Goods and Services and Payment of Accounts				
Control the placing of orders for the				✓

purchase of all goods and services, all purchases contained in the school budget and the agreed SDP are regarded as approved.				All Finance staff
Confirm the receipt of goods and services.				Finance Officer
Prepare BACS/cheques for payment of services.				Finance Assistant
Banking Arrangements				
Authorise the opening of bank accounts and approve or vary signatures thereto, taking into consideration any effect that this may have on the way the annual budget is advanced to the school.	✓			
Ensure that any investment is properly managed and exercised within the terms of the AFH	✓			
Approve use of cheque cards (see separate policy)		✓		
Authorisation of BACs payments				Two from named members of SLT
The signing of cheques for £250 and over NB the Academy should always ensure that the cheque signatory has no connection to the cheque payee.				Two from named members of SLT
The signing of cheques for less than £250 NB the Academy should always ensure that the cheque signatory has not been involved at any stage of the purchase and has no connection to the cheque payee				One named member of SLT
Carry out and review monthly bank reconciliations, having due regard for segregation of duties				Business Manager/ SFO
Petty Cash				
Agree, with the Governing Body, an appropriate amount of petty cash to be held for public bank account, currently £250, and the periodic check of completeness of financial records. Limit £20 per item		✓	✓	

The maintenance of accounting records, the security and regular reconciliation of petty cash and the segregation of duties. Monthly check by SFO				Finance Officer/ Finance Assistant
Apply for P11D dispensations and monitor payments made				Business Manager/ SFO
VAT				
To monitor the regulations on VAT, ensuring compliance by the school.		✓		Business Manager/ SFO
To complete and submit the reimbursement claim for VAT on a monthly basis.				SFO
Income				
Set a charging policy for the Academy in accordance with DFE guidelines		✓		
Draw up proposed charges for the various areas of school income, including lettings on an annual basis.			✓	Business Manager
Consider the proposed charges for the various areas of school income for approval by the Governing Body annually.		✓		
Approve the annual review of charges for the various areas of school income	✓			
Set suitable controls for the recording and collection of monies due, and for the movement of banking of monies for all accounts under the control of the school.			✓	Business Manager
The control and collection of all income.				Finance Officer/ Finance Assistant
The preparation of receipts for banking.				Finance Assistant
The physical banking of monies.				Finance Assistant
Ensure the security of monies held on site.			✓	
Ensure that gifts in kind are valued at the value that the Academy would be prepared to pay for them. Ensure that donated services and facilities are recorded in the Statement of Financial Activities when the benefit to the Academy is quantifiable and measurable				Business Manager/ SFO

Debt Recovery				
Approve and write off unrecoverable debts up to £500			✓	
Approve and write off unrecoverable debts over £500 and up to a value of £5000		✓		
Write off of: - all debts above £5,000 and up to 1% of total annual income or £45,000, whichever is lower for single transactions and - all debts up to 5% of total annual income in any one financial year per category of transaction	✓			
Write off of: - all debts over 1% of total annual income or £45,000, whichever is smaller, for single transactions - all debts over 5% of total annual income in any one financial year per category of transaction	Secretary of State approval			
Personnel and Payroll				
Review the staff structure of the school annually.			✓	
Review the financial implications of changes to staffing numbers and grades		✓		
Review recommendations for pay awards – performance management		✓ Pay Committee		
Implement the school pay policy and appointment procedures for all staff employed through the school.			✓	HR Manager
Authorise appointment letters, employment contracts and pay documents (starters, leavers and changes to pay).			✓	
Reconcile pay with contracts and other authorised documents on a monthly basis. Annually check payroll master file to payroll records				Business Manager/ SFO

Authorise all employee-related expenses to be paid through payroll (e.g. employees' overtime, special allowances, travel expenses, etc).			✓	HR Manager to prepare
Filing and storage of current personnel records Archiving personnel records (retained for 10 years)			✓	Business Manager/ HR Manager
Maintain a register of key holders.				Business Manager
Insurance				
Arrange adequate insurance cover for the school, and maintain a register of policies taken out.			✓	Business Manager
Retention and Disposal of Accounting Records				
Ensure maintenance of complete financial accounts and full supporting records for all accounts (both official and unofficial) for 6 years			✓	
The retention, secure storage and disposal of accounting records in accordance with both legal and DfE requirements.				Business Manager
The maintenance of full financial records for all accounts.				Business Manager

AUDIT ARRANGEMENTS	Level of Responsibility			
	Governing Body	Resources Committee	Accounting Officer/ Headteacher	Other Staff Member
Audit and Inspection Reports				
Appoint a statutory external auditor to certify that the accounts present a true and fair view of the Academy's financial	✓			

performance and position.				
Notify the ESFA immediately of the resignation or removal of auditors	✓			
Ensure that the Internal Auditor role has been defined in writing based on the recommendations in the AFH		✓ (Audit Committee)		Business Manager and SFO
Agree appointment of Internal Auditor and the programme of work to be followed		✓ (Audit Committee)		Business Manager and SFO
Consider the recommendations set out in the internal and external audit reports and any action plan for implementing these. All recommendations should be dealt with in a timely manner and considered in the preparation process for the next year or next visit.		✓ (Audit Committee)		Business Manager and SFO

APPENDIX 1

FINANCE STAFF DUTIES

BUSINESS MANAGER (JSE)	SENIOR FINANCE OFFICER (LHE)	FINANCE OFFICER (TMO)	FINANCE OFFICER (MPH)	FINANCE ASSISTANT (AFR)
	Authorise purchase orders	Prepare purchase orders		Administration of School Trips. Providing support to parents on Tucasi
	Authorise invoices and credit card transactions for payment Submit VAT returns	Prepare invoices for payment		Prepare cheques for paying invoices from public funds Arrange signature of cheques/authorisation of BACS payments by approved signatories
	Authorise bank reconciliation for private and public accounts	Carry out bank reconciliation for public and private accounts		Prepare banking for all accounts and pay into bank Maintenance and reconciliation of Trust Fund account
	Complete month reconciliations (shared with FO) <ul style="list-style-type: none"> - Petty cash - Bank Reconciliation - Accruals and prepayments - Income Analysis Payroll Reconciliation and Monitoring	Enter direct debits, credits, petty cash and paying in onto FMS	Prepare month end reconciliations (shared with SFO) <ul style="list-style-type: none"> - Petty cash - Bank Reconciliation - Accruals and prepayments - Income Analysis - Fixed Asset Register and depreciation 	Pay petty cash claims for all accounts
Prepare quarterly figures Issue monthly figures to Accounting Officer	Prepare monthly Management Accounts Overview of Tucasi system reporting	Raise invoices for services and other customers Administration of Lettings Credit control	Prepare monthly Management Accounts	

Amendments

- Annual Timetable on page 4 (dates amended)
- Finance Staff Duties table page 15 – Senior Finance Officer header initials changed from TEV or LHE