

# LUTTERWORTH HIGH SCHOOL



## Scheme of Delegation

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Signed: Chair of Governors: Janet Price-Jones

Date: October 2021

Signed: Head Teacher: Julian Kirby

Date: October 2021

# **LUTTERWORTH HIGH SCHOOL SCHEME OF DELEGATION**

The Governing Body will agree a Scheme of Delegation, established as a formal schedule that distinguishes between matters reserved exclusively for the Governors' approval or decision, and matters delegated to committees and individuals. The Scheme of Delegation includes the financial limits and signatories applicable to such matters as placing orders and contracts, and issuing cheques.

This is a key document which forms the basis for all financial controls in the Academy. It will be formally approved at the first meeting of the Governing Body in the Autumn Term.

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# 1 Powers and Duties Reserved for Members

The Members shall be responsible for:

## Accounts and Audit

**1.1** Appointment of external auditors.

**1.2** Approval of the audited financial statements prior to submission to the Secretary of State by 31 December.

# 2 Powers and Duties Reserved for the Full Governing Body

The Full Governing Body shall be responsible for:

## General

**2.1** Approval of a written scheme of delegation of its financial powers and duties to its Personnel and Finance Committee, the Headteacher and other staff. The scheme must satisfy the Governing Body's ultimate responsibility for ensuring that there are adequate operational controls in place for all the financial processes within the Academy. The Scheme of Delegation should be operated in conjunction with the Academy Financial Management Manual.

## Budgets/Budgetary Control

**2.2** Formally approving the annual Academy budget at least two months prior to the start of each financial year.

**2.3** Considering budgetary control reports from the Personnel and Finance Committee at every meeting, with relevant explanations and documentation where required.

**2.4** Authorisation and approval of all virements in excess of £30,000 between budget lines. Details of all virements ratified by the Personnel and Finance Committee (less than £30,000) are to be formally notified to the Full Governing Body.

## Purchasing

**2.5** Maintenance of a Register of Business Interests for all Governors and those Academy staff with financial responsibilities.

**2.6** Authorisation of the advertising of tenders above the OJEU threshold (£189,330 June 21), and authorising the award of such tenders.

**2.7** Tenders other than the most financially favourable, or late tenders, can only be accepted by the Governing Body who shall minute the reasons for their decision.

## Income

**2.8** Authorisation of the write off of debts not collectable (the Secretary of State's prior approval is also required if debts to be written off are above 1% of annual income in any financial year, per the value set out in the AFH).

## Security of Assets

**2.9** Authorisation of the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with an original purchase value in excess of £5,000.

## Accounts and Audit

**2.10** Receive the draft financial statements from the P&F Committee prior to approval by members.

**2.11** Receiving the reports of the external auditor.

**2.12** Receiving the reports from internal scrutiny reviews on the use of resources, systems of internal financial control, and discharge of financial responsibilities.

**2.13** Informing the ESFA if it suspects any irregularity affecting resources.

#### **Personnel**

**2.14** Authorisation and approval of permanent, significant structural changes to the Academy's establishment.

## **3 Powers and Duties Delegated to the Personnel and Finance Committee**

The Personnel and Finance Committee shall be responsible for:

#### **General**

**3.1** Exercising the powers and duties of the Governing Body in respect of the financial administration of the Academy, except for those items specifically reserved for the Governing Body and those delegated to the Headteacher and other staff.

**3.2** Reporting on decisions taken under delegated powers to the next meeting of the Governing Body.

#### **Budgets/Budgetary Control**

**3.3** Reviewing the annual Academy budget prior to the start of each financial year and recommending its acceptance, or otherwise to the Governing Body.

**3.4** Considering budgetary control reports on the Academy's financial position at every meeting, taking appropriate action to contain expenditure within the budget and report to the Governing Body.

**3.5** Ratifying the virement of sums between budget lines, subject to a limit of £30,000, as approved and authorised by the Headteacher.

**3.6** Reporting to the Governing Body all significant financial matters and any actual or potential overspending.

#### **Purchasing**

**3.7** Authorising the award of orders and contracts over £10,000 and up to OJEU limits.

#### **Insurances**

**3.8** Ensuring that arrangements for insurance cover are in place and adequate.

#### **Security of Assets**

**3.9** Ensuring that there are annual independent checks of assets and the asset register.

**3.10** Authorising the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with a net book value of up to £5,000 and reporting such authorisations to the Full Governing Body.

#### **Personnel**

**3.11** Consider and determine permanent, significant structural changes to the Academy's establishment and recommend these for approval to FGB.

## **Accounts and Audit**

**3.12** Reviewing the draft financial statements and highlighting any significant issues to the Full Governing Body, prior to ratification by members and prior to submission to the Secretary of State by 31 December.

**3.13** Receiving updates from the Audit Committee regarding Internal Scrutiny Reviews and external audit reports on the effectiveness of the financial procedures and control. Where appropriate, reports should be referred to the Full Governing Body for information and action.

## **4 Powers and Duties Delegated to the Audit Committee**

**4.10** To serve as the Audit Committee as outlined in the Academies Financial Handbook (AFH). To maintain an oversight of the Academy Trust's governance, risk management, internal scrutiny and control and value for money framework, in line with the terms of reference.

## **5 Financial Powers and Duties Delegated to the Headteacher**

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 Governing Body and for the direction of teaching and the curriculum.

The Headteacher shall be responsible for:

### **Budgetary control**

**5.1** Reviewing income and expenditure reports and highlighting actual or potential overspending to the Personnel and Finance Committee.

**5.2** Approving virements between budget lines up to £30,000 and reporting such approval to the Personnel and Finance Committee.

### **Financial Management**

**5.3** Ensuring the arrangements for collection of income, ordering of goods and services, payments and security of assets are in accordance with the LHS adopted policies.

### **Purchasing**

**5.4** Authorising orders and contracts over £5,000 and up to £10,000 in conjunction with the CFO.

**5.5** Ensuring that all contracts and agreements conform to the LHS Tendering and Procurement policy.

### **Payroll and Personnel**

**5.6** Approving new staff appointments within the authorised establishment.

**5.7** Authorising the monthly payroll, including overtime claims and other non-contractual payments, in conjunction with the CFO.

### **Security of Assets**

**5.8** Ensuring that proper security is maintained at all times for all buildings, furniture, equipment, vehicles, stocks, stores, cash, information and records.

### **Accounts and Audit**

**5.9** 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.

**5.10** Ensuring that full, accurate and up to date records are maintained in accordance with accounting standards and in line with the AFH.

**5.11** Ensuring that all records and documents are available for audit by the appointed external auditors and by the Internal Scrutiny Reviewer.

## **6 Financial Powers and Duties Delegated to the CFO**

The CFO shall be responsible for:

### **Budgets/Budgetary Control**

**6.1** Preparing an annual draft budget plan for consideration by the Personnel and Finance Committee and Governing Body before the start of the relevant financial year.

**6.2** Monthly monitoring of expenditure and income against the approved budget and submitting reports on the Academy's financial position to members of the Full Governing Board. Variances are highlighted and discussed at every meeting of the Personnel Finance Committee.

### **Purchasing**

**6.4** Authorising orders and contracts over £2,000 and up to £5,000 in conjunction with Budget Holders.

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

**6.6** Retention of quotes obtained for goods, works and services.

**6.7** Ensuring that all correct invoices are duly certified by authorised staff before payments are made and that invoices, vouchers and other records are retained and stored in a secure way and are readily available for inspection by authorised persons.

**6.8** Ensuring the appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments.

### **Payroll and Personnel**

**6.9** Notifying the payroll provider of any matters affecting payments to employees.

**6.10** Ensuring that the monthly payroll is checked, and authorised for payment in conjunction with the Headteacher.

### **Income**

**6.11** Ensuring that all income is accurately accounted for and is promptly collected and banked intact.

### **Banking Arrangements**

**6.12** Maintaining proper records of account and reviewing monthly bank reconciliations.

### **Insurances**

**6.13** Notifying the Personnel and Finance Committee on any eventuality that could affect the Academy's insurance arrangements.

### **Security of Assets**

**6.14** Maintaining a permanent and continuous register of all items of Plant, Equipment and Computer equipment.

## **Information and Communication Systems**

**6.15** Maintaining 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.

## **7 Financial Powers and Duties Delegated to Other Staff**

Members of staff with delegated responsibilities should be aware that these must be exercised in accordance with LHS adopted policies.

The following responsibilities are delegated to other staff in addition to the Headteacher and CFO:

### **Budgets/Budgetary Control**

**7.1** Heads of Department/Budget Holders are responsible for checking and certifying monthly statements of expenditure against their delegated budget and for reporting any errors or irregularities to the Finance Officer or CFO. Any actual or potential overspending shall also be reported to the CFO.

### **Purchasing**

**7.2** Budget Holders can authorise orders up to £2,000 provided it is within the scope and remaining balance of their delegated budget.

**7.3** The following members of staff, in addition to the Headteacher and the CFO, are authorised to open tenders in the presence of another authorised person:

- Deputy Head
- Assistant Heads

**7.4** The following members of staff are authorised to receive and check goods:

- Budget Holders
- Administrators nominated by the Budget Holder

### **Payroll**

**7.5** Budget Holders can authorise time records and authorise overtime claims within their line management responsibility.

## 8 Summary of Financial Authorisation Levels

Delegated Duty	Value	Delegated Authority	Method
Ordering Goods and Services, including the authorisation of invoices to be paid (raising requisitions)	Up to £2,000	Budget Holder	Selection from preferred supplier list unless agreed otherwise with CFO
	£2,000 to £5,000	Budget Holder and CFO/Operations Manager	
	£5,000 to £10,000	As above plus Headteacher	Minimum of 3 quotes
	£10,000 to OJEU Limit (£189,330 – June 2021)	As above plus Personnel and Finance Committee	Minimum 3 quotes
	Over OJEU Limits (£189,330 June 21)	Full Governing Body	Formal tendering process, including advertising in OJEU (if over the OJEU threshold)
	Authority to accept other than lowest quotation or tender or approval not to go out to formal tender	Governing Body	
Issue of petty cash	Up to £30	Finance Manager	Production of a petty cash requisition with valid receipt.
Signatories for cheques, BACS payment authorisations and other bank transfers	Up to £10,000	Two signatories from: - CFO - Headteacher - Deputy Head - Assistant Head - RS - Chair of Governors - Vice Chair	
Signatories for cheques, BACS payment authorisations and other bank transfers	Over £10,000	Three signatories from above, including Chair of Governors or Vice Chair	
Procurement Card approval	All	2 signatories in line bank mandate Headteacher	In line with Procurement and Tendering Policy
Salary related approvals			
<ul style="list-style-type: none"> <li>Job offers and contract terms (perm/temp), including changes</li> </ul>	Any	Headteacher (all changes ratified at Personnel and Finance Committee termly)	Per national pay scales



• Approval of monthly payroll	All	CFO Headteacher	
• Approval of overtime	All	Line Manager CFO Headteacher	
• Approval of pay awards	All	Full Governing Board, via the budget planning process	Per nationally agreed pay awards
• Staff severance Payments	Upto £50,000	Headteacher	As per AFH
Signatories for EFA grant claims and EFA returns	Any	Two signatories (or as required by EFA) from: - CFO - Headteacher/Accounting Officer - Nominated Governor	
Virement of budget provision between budget heads	Up to £10,000	CFO, with reporting to the Personnel and Finance Committee	
	£10,001 to £30,000	As above plus Headteacher, with reporting to the Personnel and Finance Committee	
	Over £30,000	Governing Body	
Disposal of assets – Plant, Equipment and computer equipment only	Up to £5,000 (NBV)	Headteacher	
	Over £5,001 (NBV)	Personnel and Finance Committee only	
Disposal of Any other assets		As per AFH guidance	
Write-off of bad debts	Up to 1% of the annual income in any 1 year (currently £46,475 20/21)	Full Governing Body	
	Over 1% of annual income in any 1 year	As above plus EFA approval	
Purchase or sale of any freehold property	Any	EFA approval required	
Granting or take up of any leasehold or tenancy agreement exceeding three years	Any	EFA approval required	
Raising invoices to collect income	Up to £5,000	CFO/Finance Officer	
	£5,001 to £10,000	As above plus Headteacher	
	£10,000 - £100,000	As above plus Personnel and Finance Committee	
	Over £100,000	Governing Body	

Document Approved by Governors (date).....,

Signed on behalf of the Governing Body..... Chair of Governors  
Approved by order of the members of the Governing Body on .....  
and signed on .....

.....  
Chair of Governors

.....  
Accounting Officer