

**FINANCIAL
SCHEME OF DELEGATION**

made between

BRADFORD DIOCESAN ACADEMIES TRUST

and

THE LOCAL GOVERNING BODY OF **XXX ACADEMY**

EFFECTIVE DATE: 1 September 2020

Approved by BDAT Finance & Resources Committee:

**Issued: August 2016
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Next Review Due: July 2021**

This document will be updated annually alongside the Trust Scheme of Delegation

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THIS **FINANCIAL SCHEME OF DELEGATION** (which in this document is referred to as the "Scheme"), which replaces all previous such documents, is made on **xxxx** between:

- (1) **BRADFORD DIOCESAN ACADEMIES TRUST**, a company limited by guarantee and registered in England and Wales under company number 08258994 (the "Company"); and
 - (2) **THE LOCAL GOVERNING BODY** of **xxxx** (the "Local Governing Body")
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1. INTRODUCTION

The framework within which the Company operates is set out in its Memorandum & Articles of Association, which gives the Directors of the Company, known as Trustees, who form the Board of Trustees, the power to delegate responsibilities to the Local Governing Bodies. The Company is responsible for the operation of its Academies as currently listed on its website.

The Company's Organisation Structure (see Appendix 1) is based on the principles that:

The Members of the Company define the object, purposes and ethos of the Company. They have a duty to ensure that the Company exercises its powers well in delivering its objects.

- 1.1 The Trustees have overall responsibility and ultimate decision making authority for all the work of the Trust, including the running of academies. This is exercised through strategic planning, monitoring of budgets, performance appraisal, the setting and monitoring of standards and the implementation of quality assurance processes. The Trustees have the power to direct change where required to ensure that the object, purpose and ethos of the Company are met.
- 1.2 The Trustees delegate their responsibilities for aspects of work of each Academy to a Local Governing Body (LGB) through a Scheme of Delegation (the Scheme). Key responsibilities for LGBs will remain at a strategic rather than operational level. The Articles of Association of the Company define the LGBs as advisory committees of the Board of Trustees. This document sets out how finance responsibilities are delegated and should be read alongside the Company's Scheme of Delegation.
- 1.3 The Executive Team is the executive arm of the Board under the direction of the Chief Executive Officer. Its principle functions are:
 - 1.3.1 To direct and support the operation of each Academy, developing strategic plans and policies in core areas of the operation in accordance with the direction of the Trustees. These include: teaching and learning, training, finance, risk, HR and ICT. The Executive Team specifies management controls and reporting requirements, audits the associated processes, procedures and outcomes in each Academy, identifies processes, procedures and outcomes in each Academy, identifies and delivers appropriate training and support.

1.3.2 To report to the Trustees on the operations of the Company in pursuance of the objects.

2. FINANCIAL POWERS AND DUTIES RESERVED FOR THE MEMBERS

The Members, who will meet no less than once per year (at the Annual General Meeting of the Trust) will, on behalf of the Company:

- 2.1 receive the Annual Report and Financial Statements within required timescales, considering the recommendations of the Trustees
- 2.2 remove auditors, if necessary, “within their term of office” by majority vote and advise the Trustees accordingly.
- 2.3 Approve the appointment of external auditors by majority vote and advise the Trustees accordingly.

3. FINANCIAL POWERS AND DUTIES RESERVED FOR THE TRUSTEES

In exercising its financial responsibilities, the Trustees are responsible for:

- 3.1 Approval of a written Financial Scheme of Delegation of its financial powers and duties to its Finance & Resources Committee, the CEO, LGBs, Head Teachers/Principals and other staff. The scheme must satisfy the Company’s ultimate responsibility for ensuring that there are adequate operational controls in place for all the financial processes within the Academies. The Financial Scheme of Delegation should be operated in conjunction with the Financial Regulations of the Company (contained in the Finance Policy).
- 3.2 Formally approve the Annual Report and Financial Statements.
- 3.3 Formally approving the annual consolidated Academy budget in accordance with the requirements of the Education & Skills Funding Agency.
- 3.4 Considering management accounts from the Finance & Resources Committee at every meeting, with relevant explanations and documentation where required.
- 3.5 Ratification of all transfers in excess of £50,000 between budget headings. Details of all transfers approved and authorised by the Finance & Resources Committee are to be formally notified to the Trustees.
- 3.6 Maintenance of a Register of Business Interests for all members of Governance and those Academy staff with financial responsibilities.
- 3.7 Authorisation of the advertising of tenders above £75,000, in accordance with OJEU Regulations, and authorising the award of such tenders.
- 3.8 Tenders, other than the most financially favourable, or late tenders, can only be accepted by the Trustees who shall minute the reasons for their decision.
- 3.9 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 the value set out in the Academies Financial Handbook)
- 3.10 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.
- 3.11 Reviewing the draft financial statements prior to audit and approval of the audited financial statements prior to confirmation by the Members and submission to the ESFA in the required timescale.

- 3.12 Receiving the reports of the external auditor.
- 3.13 Receiving the reports of the Finance & Resources Committee on the use of resources, systems of internal financial control, and discharge of financial responsibilities.
- 3.14 Informing the DFE if it suspects any irregularity affecting resources.
- 3.15 The Trustees shall ensure that the proper procedures are put in place for the safeguarding of funds and that the requirements of the Academies Financial Handbook are observed at all times as well as any requirements and recommendations of the Trustees and Secretary of State.

4. FINANCIAL POWERS AND DUTIES DELEGATED TO THE BDAT FINANCE & RESOURCES COMMITTEE

The Finance and Resources Committee will meet at least six times per year and shall be responsible for:

- 4.1 Exercising the powers and duties of the Trustees in respect of the financial administration of the Academy, except for those items specifically reserved for the Trustees, and will oversee those delegated to the LGB, CEO, Headteacher/Principal and other staff.
- 4.2 Reporting on decisions taken under delegated powers to the next meeting of the Board of Trustees.
- 4.3 Reviewing the annual budgets of the Company and the Academies prior to the start of each financial year and recommending its acceptance, or otherwise to the Trustees.
- 4.4 Considering management accounts on the Academy's financial position at every meeting, taking appropriate action to contain expenditure within the budget and report to the Trustees.
- 4.5 Reviewing the virement of sums between budget heads, subject to delegated limits, as approved and authorised by the CEO, Headteacher/Principal, Chief Finance Officer and Director of Finance, which are to be formally notified to the Finance & Resources Committee who shall minute the notification.
- 4.6 Report to the Trustees all significant financial matters and any actual or potential overspending.
- 4.7 Authorising the award of orders and contracts over £50,000 for secondary, £25,000 for primary and up to £75,000.
- 4.8 Ensuring that arrangements for insurance cover are in place and adequate.
- 4.9 Ensuring that there are annual independent checks of assets and the asset register.
- 4.10 Authorising the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with an original purchase value of up to £5,000 and reporting such authorisations to the LGB.
- 4.11 Authorising permanent changes to the Academy's staff establishment subject to 9.4 below.
- 4.12 Reviewing the draft financial statements and highlighting any significant issues to the Trustees, prior to submission to the Secretary of State by 31 December.
- 4.13 Authorising the tender process in excess of £75,000, in accordance with OJEU Regulations, and ensuring procedural responsibilities are maintained.
- 4.14 Broker and agree any inter school loans in consultation with the LGB's.

5. FINANCIAL POWERS AND DUTIES RESERVED FOR THE LOCAL GOVERNING BODY (LGB)

- 5.1 In acknowledgement of the receipt by the Trustees of funds in relation to the Academy; provided by the Secretary of State, donated to the Company and generated from the activities of the Company, the Trustees will delegate to the LGBs the responsibility to monitor the expenditure of all monies received on account of the Academy for the purposes of the

Academy – reporting to the Trustees as necessary. Whilst the LGB shall have the power to enter into contracts on behalf of the Trust in so far as they relate to the Academy, the LGB shall first obtain the written consent of the Trustees to any contracts or expenditure above £25,000 (Primary) and £50,000 (Secondary).

- 5.2 The accounts of the Trust shall be the responsibility of the Trustees but the LGB shall provide such information about the finances of the Academy as often and in such format as the Trustees shall require.
- 5.3 The LGB shall inform the Trustees of any need for significant unplanned expenditure and will discuss with the Trustees (and others as the Trustees shall require), options for identifying available funding.
- 5.4 Formally recommending the annual Academy budget for presentation to and approval by the Trustees.
- 5.5 Considering management accounts from the Finance & Resources Committee, with relevant explanations and documents where required.
- 5.6 The LGB is responsible for appointing a staffing structure within budget.
- 5.7 Authorising virements between budget heading up to £25,000 (primary) and £50,000 (secondary)

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

- 6.1 Authorising orders and contracts up to £75,000 in conjunction with Budget Holders.
- 6.2 Authorising virements between budget headings up to £50,000
- 6.3 Approving all salary amendments (with the Headteacher/Principal) and any additional appointments to staffing establishment constituting minor variation (i.e. +1 increment except in exceptional circumstances) subject to reporting to Finance & Resources Committee and their approval for further appointment or limits.
- 6.4 Approving the addition of budget headings with funding of up to £10,000 to meet unanticipated expenditure subject to reporting to and review by the Finance & Resources Committee.
- 6.5 Overseeing 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.
- 6.6 Authorising the advertising of tenders in excess of £75,000, in accordance with OJEU Regulations, and reporting to the Finance & Resources Committee.

7. FINANCIAL POWERS AND DUTIES DELEGATED TO THE CHIEF FINANCE OFFICER (DOF)

The Chief Finance Officer shall be responsible for:

- 7.1 Ensuring that the annual budget plan is prepared, approved and submitted to the ESFA in accordance with deadlines.
- 7.2 Ensure that audited accounts are approved and submitted to ESFA in accordance with deadlines and published in accordance with the requirement of the Academies Financial Handbook.
- 7.3 Ensure that the provisions of the Academies Financial Handbook and other regulatory frameworks are implemented, procuring Internal Audit and similar reports as required

- 7.4 Approving virements, in conjunction with the CEO and Headteachers/Principals, between budget headings up to a value of £50,000 and reporting such approval to the Finance & Resources Committee.
- 7.5 Authorising orders and contracts up to £10,000 in conjunction with Business Managers.
- 7.6 Maintaining a register of related party transactions in accordance with the Academies Financial Handbook and report to the FARC.

8. FINANCIAL POWERS AND DUTIES DELEGATED TO DIRECTOR OF OPERATIONS

- 8.1 Authorising expenditure up to the value of £25,000 (primary) and £50,000 (Secondary)
- 8.2 Authorising the advertising of tenders in excess of £75,000, in accordance with OJEU Regulations, and reporting to the Finance & Resources Committee.
- 8.3 Authorisation of the disposal of assets up to the value of £5,000.
- 8.4 Authorising virements up to £50,000 between budget headings and reporting such approval to the Finance & Resources Committee.

9. FINANCIAL POWERS AND DUTIES DELEGATED TO THE HEADTEACHER/EXECUTIVE HEADTEACHER/HEAD OF SCHOOL/PRINCIPAL

The Headteachers/Principals have delegated powers and functions in respect of internal organisation, management and control of their Academy, the implementation of all policies approved by the Trustees and for the direction of teaching and the curriculum.

The Headteachers/Principals shall be responsible for:

- 9.1 Reviewing and authorising monthly management accounts and highlighting actual or potential overspending to the CEO, LGB and Finance & Resources Committee.
- 9.2 Approving virements between budget headings up to £10,000 and reporting such approval to the CEO, LGB and Finance & Resources Committee.
- 9.3 Authorising orders and contracts up to £25,000 (Primary) & £50,000 (Secondary) in conjunction with the Chief Finance Officer.
- 9.4 Approving new staff appointments within the authorised establishment (other than the Leadership Group).
- 9.5 Ensuring that proper security is maintained at all times for all buildings, furniture, equipment, vehicles, stocks, stores, cash, information and records etc. under his/her control.

10. FINANCIAL POWERS AND DUTIES DELEGATED TO THE ACADEMY/EXECUTIVE BUSINESS MANAGERS/BDAT FINANCE MANAGER

- 10.1 Ensuring the arrangements for collection of income, ordering of goods and services, payments and security of assets are in accordance with the Financial Regulations.
- 10.2 Ensuring that all contracts and agreements conform to the Financial Regulations.
- 10.3 Ensuring that full, accurate and up to date records are maintained in order to provide financial and statistical information.
- 10.4 Ensuring that all records and documents are available for audit by the appointed external auditors and Finance & Resources Committee.

- 10.5 Preparing, after discussion with the Headteacher/Principal and/or DoF, an annual draft budget plan for consideration by the Finance & Resources Committee and the Trustees before the start of the relevant financial year.
- 10.6 Monthly preparation and submission of management accounts, with comprehensive narrative, against the approved budget to the CFO and to every meeting of the Finance & Resources Committee. Any actual or potential overspending shall be reported to the Finance & Resources Committee.
- 10.7 Approving virements, in conjunction with the Headteacher/Principal, between budget headings up to a value of £10,000 and reporting such approval to the DoF who will report to the Finance & Resources Committee.
- 10.8 Authorising orders and contracts up to £10,000 in conjunction with the Head Teacher/Principal.
- 10.9 Maintaining a register of formal contracts entered into, amounts paid and certificates of completion.
- 10.10 Retention of quotes obtained for goods, works and services over the value of £10,000. 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.
- 10.11 Ensuring the appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments.
- 10.12 Ensuring that the monthly payroll is checked, and payment is certified in line with the bank mandate.
- 10.13 Ensuring that all income is accurately accounted for and is promptly collected and banked intact.
- 10.14 Maintaining proper records of account and reviewing monthly bank reconciliations.
- 10.15 Notifying the Finance & Resources Committee on any eventuality that could affect the Academy's insurance arrangements.
- 10.16 Maintaining an appropriate register of all items of furniture, equipment, vehicles.
- 10.17 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 General Data Protection Regulations
- 10.18 In conjunction with DoF to ensure that the provisions of the Academies Financial Handbook are implemented.
- 10.19 Ensuring data is available to report on Gender Pay Gap Reporting

11. 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 Financial Regulations.

The following responsibilities are delegated to other staff in addition to the Headteacher/Principal and Chief Finance Officer:

- 11.1 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 Academies Business Manager. Any actual or potential overspending shall also be reported to the Headteacher/Principal and the Director of Finance.

- 11.2 Departmental Budget Holders can authorise orders up to £1 000 provided it is within the scope and remaining balance of their delegated budget.
- 11.3 The following members of staff, in addition to the Headteacher/Principal and Chief Finance Officer, are authorised to open tenders in the presence of another authorised person:
- i) CEO
 - ii) Deputy Head Teachers
 - iii) Academies Business Manager
 - iv) Director of Operations
- 11.4 The following members of staff are authorised to receive and check goods:
- i) Budget Holders
 - ii) Administrators and Premises Staff are nominated by the Business Manager/ Head Teacher/Principal
- 11.5 Budget Holders can authorise time records and authorise overtime within their delegated budget.

12. FINANCIAL POWERS AND DUTIES RESERVED FOR THE AUDIT COMMITTEE

12.1 Authority

The Audit Committee acts in an advisory capacity with no executive powers. However, it is authorised by the Trustees to investigate any activity within its terms of reference, and to seek any information it requires from staff, who are requested to co-operate with the committee in the conduct of its inquiries.

This Committee is authorised to obtain independent professional advice if it considers this necessary.

12.2 Duties

Internal Audit

To direct those responsible for conducting elements of internal audit within each of the Trust's Schools, at least annually, and to receive reports based upon these exercises; to ensure findings are shared with appropriate Trustees, Governors and Staff and to review and monitor Governance and Management's response to findings. Internal audit may include but is not limited to the following areas:

a. Financial Reporting

To review and where necessary to challenge the actions and judgements of Trust and School Governance and Management in relation to financial reporting, accounting policies and practices, budgets, unusual transactions, disclosures, adjustments resulting from audits and compliance with Statutory Duties.

b. Internal Scrutiny and Risk Management

To monitor and review the integrity of the Trust's internal financial controls, including procedures to detect and prevent fraud and impropriety and those to identify, assess and manage risk

c. Local governance

To scrutinise the work of LGBs to ensure they are providing the required level of challenge and support.

d. Contract management

To review existing and future contract arrangements and, where necessary, ensure that Trustees are represented adequately during supplier selection.

e. Safeguarding

To oversee Trust-wide arrangements for safeguarding ensuring that statutory requirements are met or exceeded.

f. Human Resources

To ensure that the Trust's HR support is fit for purpose and that adequate arrangements exist to meet statutory and legal obligations.

g. Policies

To ensure that Trust policies are developed, reviewed and amended on a regular basis.

h. Religious ethos

To ensure that the religious ethos of the Trust is maintained and that non-faith academies follow the ethos of the Trust.

i. Health and Safety

To ensure that the Trust's Health and Safety arrangements are fit for purpose and that adequate arrangements exist to meet statutory and legal obligations.

External Audit

1. To recommend the appointment, re-appointment or removal of the external auditor and oversee the Trust's relations with them; to approve the terms of engagement and remuneration to be paid to the external auditor.
2. To discuss with the external auditor, before the audit commences, the nature and scope of the audit.
3. To review with the external auditor the findings of their work, including any major issues arising and their resolution, key accounting judgements and levels of errors identified during the audit.
4. To assess the effectiveness of the audit process at the end of its cycle.
5. To oversee the Trust's need for impartiality by the external auditor with reference to their non-audit services, to ensure objectivity is not impaired through their delivery.

Annual Summary Report

Approval of the Trust's annual internal scrutiny report for submission to the ESFA which summarises the areas reviewed, key findings and recommendations.

**Appendix 1
New Trust &
Governance Structure**

BDAT Members

Andy Jolley, Jerry Lepine, Richard Noake,
Tony Hesselwood, Tessa Mason

BDAT Trust Board

Tessa Mason (Chair) Bill Henry (Vice Chair)
Tony Hesselwood, Denise Sterling, Ruby Bhatti, Carol Dewhurst , Nurjahan Ali
Arobi, Roland Clark, Stephen Emsley, Neil Diamond, Alison Grant

Secondary Committee
Denise Sterling (Chair)

Primary Committee
Ruby Bhatti (Chair)

**Finance and Resource
Committee**
Tony Hesselwood (Chair)

Audit Committee
Richard Giles (Chair)

Local Governing Bodies

The Finance & Resources Committee

The Board of Trustees operates a number of Committees which monitor the key Board functions. The FARC is responsible for financial and business operations management on behalf of BDAT. It reports to the full BDAT Board of Trustees.

Tony Hesselwood	-	Chair of Finance & Resources Committee/Trustee
Carol Dewhurst	-	Accounting Officer/CEO
Roland Clark	-	Trustee
Alison Grant	-	Trustee
Ashley Reed	-	Director of Finance/Chief Finance Officer
Peter Thompson	-	Director of Operations/Chief Operating Officer
Lisa Smith	-	Finance Manager

The Audit Committee

Richard Giles	-	Chair of Audit Committee
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Plus three non-executive Trustees of the Trust appointed by the Board of Trustees.

Appendix 2. Summary of Financial Authorisation Levels

	Board of Trustees	Finance & Resources Committee	Local Governing Body	Chair of Trustees and (Dep)CEO	CFO/ Director Finance / Director Operations	Executive /Head Teacher/ Head School/ Principal	Academy /Executive Business Managers/ BDAT Finance Manager	Academy Budget Holders	Academy Finance Manager
Approval of Annual Budget/3 year plan	✓								
Variations to budget heads (virements) over £50,000	✓	✓							
Variations to Primary budget heads (virements) £10,000 to £25,000	✓	✓	✓	✓	✓				
Variations to Primary budget heads (virements) £25,000 to £50,000	✓	✓	✓	✓	✓				
Variations to budget heads (virements) up to £10,000	✓	✓	✓	✓	✓	✓	✓		
Authorise expenditure over £75,000	✓								
Authorise expenditure £50,000 - £75,000 (Sec) £25,000 - £75,000 (Prim)	✓	✓		✓	CFO				
Authorise expenditure £10,001 - £50,000 (Sec) £10,001 - £25,000 (Prim)	✓	✓	✓	✓	✓	✓			
Authorise expenditure £1,001 - £10,000	✓	✓	✓	✓	✓	✓	✓		
Authorise expenditure up to £1,000	✓	✓	✓	✓	✓	✓	✓	✓	
Authorise Petty Cash up to £50					✓	✓	✓	✓	
Authorise appointment/ salary of permanent and temporary staff (other than Leadership Group)						✓			
Authorise appointment/ salary of CEO and HT	✓								
Authorise appointment/ salary of DHT and AHT	✓	✓	✓						
Severance Authorisations Up to £50,000	✓	✓		✓					
Advertising of tenders over £75,000	✓	✓		✓	✓				
Advertising of tenders under £75,000		✓		✓	✓				
Authorisation of disposal of assets over £5,000	✓	✓		✓	✓				
Authorisation of disposal of assets under £5,000		✓			✓	✓	✓		