



GOLDSWORTH TRUST

FINANCIAL SCHEME OF DELEGATION

1. Powers and duties reserved for the Board of Trustees
2. Powers and duties delegated to the Finance Committee
3. Powers and duties delegated to the Audit Committee
4. Powers and duties delegated to the Local Governing Body
5. Powers and duties delegated to the Chief Executive Officer (Accounting Officer)
6. Powers and duties delegated to the Chief Finance Officer
7. Powers and duties delegated to the Chief Operating Officer
8. Powers and duties delegated to the Head Teacher
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Version 1.1

1. Powers and Duties Reserved for the Board of Trustees

The Board of Trustees of the academy has wide responsibilities under statute, regulations and the Funding Agreement. It is specifically responsible for ensuring the Trust's funds are used only in accordance with the law, the Board's powers under the Funding Agreement, Articles of Association and the Academies Financial Handbook. The Trustees shall be responsible for:

- Ensuring they are aware of their statutory duties as company directors as set out in Section 170 to 177 of the Companies Act 2006
- Approval of a written scheme of delegation of the financial powers and duties delegated to the Finance Committee, Audit Committee, CEO, Chief Financial Officer, Head Teacher and other staff. The scheme must satisfy the Trustee's ultimate responsibility for ensuring that there are adequate operational controls in place for all the financial processes within the Academy.
- Ensuring value for money through economy, efficiency and effectiveness over its use of the Trust's funds.
- Appointing a CEO
- Appointing the CEO as the Academy Trust's Accounting Officer
- Appointing a suitably qualified Chief Finance Officer
- Approval of the Scheme of Delegation
- Formally approving a balanced budget within the timescales required by the ESFA
- To prepare the Trustees Report and approve the financial statements to form part of the annual report in accordance with the Year End Accounts Direction for filing in accordance with the Companies Act and Charity Commission requirements
- Receiving the reports of the external auditor in liaison with the audit committee
- Receiving the reports of the Accounting Officer on the use of resources, systems of internal financial control, and discharge of financial responsibilities in liaison with the Audit Committee
- Reviewing the reports of the Audit Committee and Accounting Officer on the effectiveness of the financial procedures and controls and recommending improved processes where appropriate
- To approve each school's annual and three year budget, based on the recommendations of the Finance Committee, prior to the start of each financial year at their July meeting
- Considering consolidated management accounts at least six times a year
- Approving the level of reserves to be maintained by the Trust

2. Powers and Duties Delegated to the Finance Committee

The Finance Committee shall be responsible for:

- Approval of the Trust's financial policies
- Considering budgetary control reports from the Local Governing Bodies, with relevant explanations and documentation where required
- Authorising the award of orders and contracts over £10,000 and up to £50,000
- Agreement on the type of tendering process to be adopted for contracts between £50,000 and EU Tendering Thresholds and authorising the award of such tenders
- Authority to seek professional advice for contracts in excess of EU Tendering thresholds and the subsequent authorisation of such contracts
- Authorisation of the write off of debts and losses within the limits authorised by the ESFA as detailed in the Academies Financial Handbook
- Authorisation of the disposal of fixed assets owned by the academy as detailed in the Academies Financial Handbook
- Ensuring that professional advice is sought where appropriate, in relation to complex financial transactions
- Approval of the appointment of external auditors and issue of the formal letter of engagement
- Reviewing the draft financial statements prior to audit and approval of the audited financial statements prior to submission to the ESFA by 31 December
- Informing the ESFA if it suspects any irregularity affecting resources
- To scrutinise, consider and recommend each school's annual and three year budget at the start of the financial year
- To develop, review and recommend relevant financial and accounting policies in accordance with Financial Regulations
- Reviewing the draft financial statements and highlighting any significant issues to the Trustees prior to their approval and submission to the ESFA
- Ensuring all financial documents and information required to be published on the Trust and school websites are up to date and available in appropriate formats
- To ensure that the Trust completes all financial returns required by the ESFA in accordance with the published guidance and deadlines
- Review level of petty cash float held in each school annually
- To monitor the cash flow of the Trust
- To recommend the level of reserves to be maintained by the Trust
- To manage any loans required by the Trust
- To handle requests for capital funding from the DfE

3. Financial Powers and Duties delegated to the Audit Committee

The committee is independent and advisory and reports to the Trustees. It has the right of access to obtain all the information it considers necessary and to consult directly with internal and external auditors.

The audit committee shall be responsible for:

- Gaining assurance that the academy's risk management, control and governance arrangements are adequate and effective
- Monitoring, implementation and maintenance of the academy's risk management plan
- Reviewing the effectiveness of the organisation's systems of internal control and advising the Trustees accordingly

Internal audit

- Considering and advising the Trustees on the appointment and terms of engagement of the internal audit service
- Considering and advising the Trustees on the internal audit services/responsible officer risk assessment strategy
- Considering the major findings of internal audit/responsible officer investigations and management responses
- Promoting and securing appropriate co-ordination between the internal audit/responsible officer and external auditors
- Advising the Trustees on the internal audit/responsible officer plan and the progress against it
- Monitoring the implementation of audit based recommendations
- Advising the Trustees on whether it should approve the internal audit/responsible officer report
- Establishing and monitoring appropriate performance indicators to measure the effectiveness of the work of the internal audit service/responsible officer and advising the Trustees accordingly
- Considering the adequacy of resources for the internal audit service/responsible officer

External audit

- Advising the Members on the appointment of the external auditors
- Monitoring the effectiveness and performance of the external auditors through appropriate performance indicators
- Reviewing the nature and scope of the external audit strategy and plan
- Reviewing the annual external audit management letter and the financial statements
- Securing appropriate liaison between external and internal audit/responsible officer

Value for money

- Ensuring satisfactory arrangements are in place to promote the economical, efficient and effective management of all the academy's resources

Reporting

- The audit committee will report to the Trustees after each meeting. A copy of the audit committee minutes would normally suffice
- The audit committee will prepare an annual report for the Trustees covering the financial year. It should detail any significant events up to the date of the preparation of the report and include the committee's opinion on the adequacy and effectiveness of the organisation's arrangements for:
 - Risk management, control and governance
 - Economy, efficiency and effectiveness

4. Powers and Duties Delegated to the Local Governing Body

The local governing body shall be responsible for:

- Exercising the powers and duties of the Trustees in respect of the financial administration of the individual school, except for those items specifically reserved for the Trustees and those delegated to the Finance Committee, CEO and other staff
- To monitor and review procedures for ensuring the effective implementation of financial procedures including the Scheme of Delegation, bank mandate and separation of duties and where appropriate make recommendations for improvement
- To consider the academy's general annual grant funding, notified annually by the ESFA, and to assess its implications for the academy, in consultation with the CEO, in advance of the financial year, drawing any matters of significance or concern to the attention of the local governing body
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and in line with the Academies Financial Handbook, drawing any matters of concern to the Trust Board. As part of this the local governing body will:
 - Monitor and review all ongoing service level agreements and contracts on an annual basis
 - Approve non-routine expenditure in accordance with the scheme of delegation
 - Ensure the principles of best value are followed when making decisions
 - Monitor statistics, performance indicators, benchmarking data and other non-financial data affecting the budget, directing action as appropriate; and
 - Monitor capital expenditure and take appropriate steps in the event of possible over or under spending
- Review the virement of sums between budget headings, up to the limit of £10,000, as approved and authorised by the CEO and Chief Finance Officer, which are to be formally notified to the local governing body who shall minute the notification
- Approve the virement of sums between budget headings, above the limit of £10,000, as recommended by the CEO and Chief Finance Officer
- 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 between £5,000 and up to £50,000 and reporting such authorisations to the Trustees
- Ensuring that all the Trust's property is under the control of the Trustees, and that measures are in place to prevent losses or misuse, including maintenance of adequate fixed asset registers

5. Powers and Duties Delegated to the CEO (Accounting Officer)

The CEO has delegated powers and functions in respect of internal organization, management and control of the academy, the implementation of all policies approved by the Trustees and for the direction of teaching and the curriculum. The accounting officer is personally responsible to Parliament, and to the accounting officer in the ESFA, for the resources under their control, and must be able to assure Parliament and the public of high standards of probity in the management of public funds.

The CEO shall be responsible for:

- Assuring the Board that there is compliance with the Handbook, the Funding Agreement and all relevant aspects of company and charitable law. (This responsibility cannot be delegated).
- Achieving value for money to deliver the best possible educational and wider social outcomes of all the resources in the Trust's charge
- Ensuring the maintenance of proper financial records and accounts and for the management of opportunities and risks
- Advising the Board in writing if, at any time, in their opinion, any action or policy under consideration by them is incompatible with the terms of the Handbook or Funding Agreement
- Advising the Board in writing if the Board appears to be failing to act where required to do so by the terms or conditions of the Handbook or Funding Agreement
- Advising ESFA's accounting officer in writing, if despite providing advice the Board is minded to proceed, the accounting officer still considers that any action proposed by the Board to be in breach of the Handbook or Funding Agreement
- Completing the accounting officer's annual statement for inclusion in the academy trust's annual report, in the format specified within the ESFA's Accounts Direction
- Ensuring that the academy trust's final budget is submitted to the ESFA, in the format specified, by the required deadline
- Ensuring that persons signing for other contracting parties in tendering negotiations have authority to bind it
- Ensuring the academy trust has adequate insurance cover including building, contents, business continuity, employers and public liability and any other cover required for motor vehicles
- Approving virements between budget headings between £5,001 to £10,000 and reporting such approval to the Local Governing Body
- Ensuring the arrangements for collection of income, ordering of goods and services, payments and security of assets are in accordance with the Financial Regulations
- Authorising orders and contracts between £5,001 and £10,000 in conjunction with the Head Teacher of each school
- 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 authorisation to the Trustees

- Ensuring that all contracts and agreements conform to the Financial Regulations
- Ensure new staff appointments within the authorised establishment and approved by the Head Teacher
- Ensuring that the checking of the monthly payroll reports and certifying the payment of salaries each month is carried out by the Chief Finance Officer, in conjunction with the Finance Manager at each school
- Ensuring that proper security is maintained at all times for all buildings, furniture, equipment, vehicles, stock, stores, cash, information and records under their control

6. Powers and Duties Delegated to the Chief Finance Officer

The Chief Finance Officer shall be responsible for:

- Delivery of the Trust's detailed accounting processes
- Providing technical advice in relation to the financial aspects of the academy trust
- The maintenance of an up to date Register of Business Interests for all Trustees, Local Governing Bodies and academy staff with financial responsibilities
- Providing a point of liaison with the academy trust's accountants to assist with the preparation of the annual financial statements
- Providing a point of liaison to assist the Accounting Officer and external auditor in their work
- Preparing an annual draft budget plan in liaison with the CEO and Finance Manager for each school for consideration by the Finance Committee and Trust Board before the start of the relevant financial year
- Providing a point of liaison to assist the Accounting Officer and internal auditor in their work
- Ensure that a register of formal contracts entered in to, amounts paid and certificates of completion is maintained
- Ensuring that full, accurate and up to date records are maintained in order to provide financial and statistical information
- Ensuring that all financial records and documents, including quotes obtained for goods, works and services are retained securely for the required retention period
- Preparation of timely monthly consolidated management account reports for the Trust Board

7. Powers and Duties Delegated to the Chief Operating Officer

The Chief Operating Officer shall be responsible for:

- Selection, planning and oversight of any capital projects
- 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 and General Data Protection Regulations
- Checking of the monthly payroll reports and certifying the payment of salaries each month, in conjunction with the Finance Manager at each school
- Certifying the payroll BACS authorisation form for payment at each school
- Ensure that a permanent and continuous register of all items of furniture, equipment, vehicles and plant is maintained

8. Powers and Duties Delegated to the Head Teacher at each individual school

The Head Teacher shall be responsible for:

- Ensuring the maintenance of proper financial records and accounts and for the management of opportunities and risks
- Ensuring that persons signing for other contracting parties in tendering negotiations have authority to bind it
- Ensuring the academy trust has adequate insurance cover including building, contents, business continuity, employers and public liability and any cover required for motor vehicles
- Ensuring the arrangements for collection of income, ordering of goods and services, payments and security of assets are in accordance with the Financial Regulations
- Authorising orders and contracts up to £5,000
- Approving virements between budget headings up to £5000 and reporting such approval to the Finance Committee
- Ensuring that all contracts and agreements conform to the Financial Regulations
- Approving new staff appointments within the authorised establishment
- Ensuring that proper security is maintained at all times for all buildings, furniture, equipment, vehicles, stock, stores, cash, information and records under their control

9. Powers and Duties Delegated to the Deputy/Assistant Head Teacher at each individual school

The Deputy / Assistant Head Teacher shall be responsible for:

- Authorising purchase order invoices, where the original purchase order has previously been authorised by the CEO or Head Teacher

10. Powers and Duties Delegated to the Business Manager of each individual school

The Business Manager shall be responsible for:

- Applying discipline in financial management, including managing banking, debt and cash flow, with appropriate segregation of duties in line with the approved scheme of delegation
- Preparing an annual draft budget plan in liaison with the CEO and CFO for consideration by the Trustees before the start of the relevant financial year
- Preparation of timely monthly budget monitoring reports, cash flow forecasts and budget forecasts as appropriate
- Monthly monitoring of expenditure and income against the approved budget
- Submission of budget reports on the academy's financial position to every meeting of the local governing body. Any actual or potential overspending shall be reported to the local governing body and CFO
- 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
- Ensuring that cash is managed appropriately, bank accounts do not go overdrawn and bank and control accounts are reconciled monthly
- Providing termly cost centre reports to appointed budget holders
- Notifying the Finance Committee on any eventuality that could affect the academy's insurance arrangements
- Ensuring that full, accurate and up to date records are maintained in order to provide financial and statistical information
- Ensuring that all financial records and documents, including quotes obtained for goods, works and services are retained securely for the required retention periods
- Reviewing income and expenditure reports on a monthly basis and highlighting actual or potential overspending to the Local Governing Body and CFO

11. 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 CEO, Chief Finance Officer and Finance Managers:

- Budget holders have responsibility to monitor budgets delegated to them for their control. It is the responsibility of the Finance Manager to provide budget holders with a print out of how much is remaining in their budget at the beginning of each term.
- The following members of staff, in addition to the CEO and Chief Finance Officer, are authorised to open tenders in the presence of another authorised person:
 - Head Teacher
 - Finance Manager
- The following members of staff are authorised to receive and check goods:
 - Budget holders
 - Administrators nominated by the budget holder

A temporary scheme of delegation may be put in place during holiday periods authorising named members of staff to act on behalf of the CEO should they not be contactable and an emergency arises. The Chair of Trustees will be notified.

12. Summary of Financial Authorisation Levels

In all transactions, irrespective of whether the Secretary of State's approval is required, the Goldsworth Trust will obtain relevant professional advice where appropriate including that of the external auditor where necessary.

Delegated Duty	Value	Delegated Authority	Method
Ordering goods and services	Up to £5,000 (single transaction)	Head Teacher	Select one supplier and place order
	£5,001 to £10,000	CEO	Minimum of three quotes and formal written official order or its equivalent for the accepted quote
	Between £10,001 and EU Tendering Threshold	Board of Trustees	Formal tendering process as agreed and minuted by the Trust Board
	Above EU Tendering Thresholds: <ul style="list-style-type: none"> • £181,302 Supplies and Services • £4,551,413 (Jan 2018) 	Board of Trustees	Professional advice to be sought
Signatories for ESFA grant claims and ESFA returns	Any	CEO (in capacity as Accounting Officer), or as requested by the ESFA	
Virement of budget provision between budget heads	Up to £5,000	Head Teacher	
	£5,001 to £10000	CEO	
	£10,001 and above	Finance Committee	

Acquisition and disposal of fixed assets	Acquiring freehold on land or building	Secretary of State via ESFA	Principles of Best Value must apply. Separate disclosure is required in the annual accounts for all transactions exceeding £5,000
	Disposing of freehold on land or buildings	Secretary of State via ESFA	
	Disposal of any other fixed asset up to £5000	CEO	
	Disposal of any other fixed asset over £5,000 and up to £50,000	Board of Trustees	
Leasing	<p>Taking up a lease on any class of asset for any duration from another party.</p> <p>Taking up a leasehold tenancy agreement on land or building from another party for at least a term of more than 5 years.</p> <p>Granting a leasehold or tenancy agreement on land or buildings to another party for a lease term of more than 5 years.</p>	Secretary of State via ESFA	Principles of regularity, propriety and value for money must apply. Separate disclosure is required in the annual accounts for all transactions exceeding £5000
	Operating leases on assets that are not land or buildings	In line with "Ordering Goods and Services" delegations as above.	

Writing off bad debts & losses and entering in to guarantees, indemnities or letters of comfort	1% of total income or £45,000 (whichever is smaller) per single transaction up to a maximum of £250,000	Board of Trustees	The amounts for write-offs are before any successful claims from an insurer. Total annual income is defined as grant income as disclosed in the trust's last set of audited accounts. The categories of transaction are defined as (a) write off of bad debts and losses, and (b) guarantees, indemnities and letters of comfort Separate disclosure is required in the annual accounts for all transactions exceeding £5000
	Cumulatively, 2.5% of total annual income in any one financial year per category of transaction if the Trust has not submitted timely unqualified financial returns for the previous financial years, up to a maximum of £250,000	Board of Trustees	
	Cumulatively, 5% of total annual income in any one financial year per category of transaction providing the Trust has submitted timely unqualified financial returns for the previous financial years, up to a maximum of £250,000	Board of Trustees	
	Beyond these limits	Secretary of State via ESFA	
Payroll Report Monthly Check	Full check of individuals on report	Chief Operating Officer	Payroll report checked to establish validity of payroll payments to staff
Payroll authorisation	Full monthly payroll charge	Chief Operating Officer	

Personnel Records	Access to individual staff files	CEO Head Teacher Admin Manager Chief Operating Officer	
Petty Cash	Float limit £350	Board of Trustees	
Staff severance and compensation payments	Where non -statutory / non -contractual element is under £50,000 Beyond this limit	Board of Trustees HM Treasury via ESFA	Separate disclosure is required in the annual accounts for all transactions exceeding £5,000 Refer to Financial Handbook for guidance
Any form of borrowing	Any amount	Secretary of State via ESFA	
Any irregular or improper transactions	Any amount	ESFA or HM Treasury dependent on the nature of the transaction	
Related party transactions	Contracts exceeding £20000 (total in any one financial year)	ESFA	Trustees must obtain prior approval, using the ESFA online form

13. Separation of Duties

(a) Initiating Officer (Budget Holder):

A member of staff authorised by the Board to sign official orders (or order requisitions where utilized) on behalf of the academy. They would normally identify the potential supplier, ensure budget provision is available and best value is obtained, by using their own knowledge and experience. The person who signs the order is deemed the initiating officer and they therefore cannot authorise or certify the invoice.

(b) Authorising Officer

A member of staff other than (a) or (c) who confirms receipt of goods or services against the official order. This member of staff may in practice be the person who requested the goods / services as they will often be best placed to confirm the order has been delivered accurately.

(c) Certifying Officer

A member of staff other than (a) or (b) designated by the Board to certify individual invoices for payment. In certifying an invoice for payment the Certifying Officer is indicating that all relevant Financial Regulations have been complied with and evidenced in paying the invoice, prior to input and certification onto academy financial systems.

- Head Teacher (for single transactions up to £5,00)
- CEO (for transactions above £5,000)
- Deputy Head Teacher (if the invoice matches the official order that has previously been authorised by the CEO or Head Teacher)

(d) Cheque Signatories

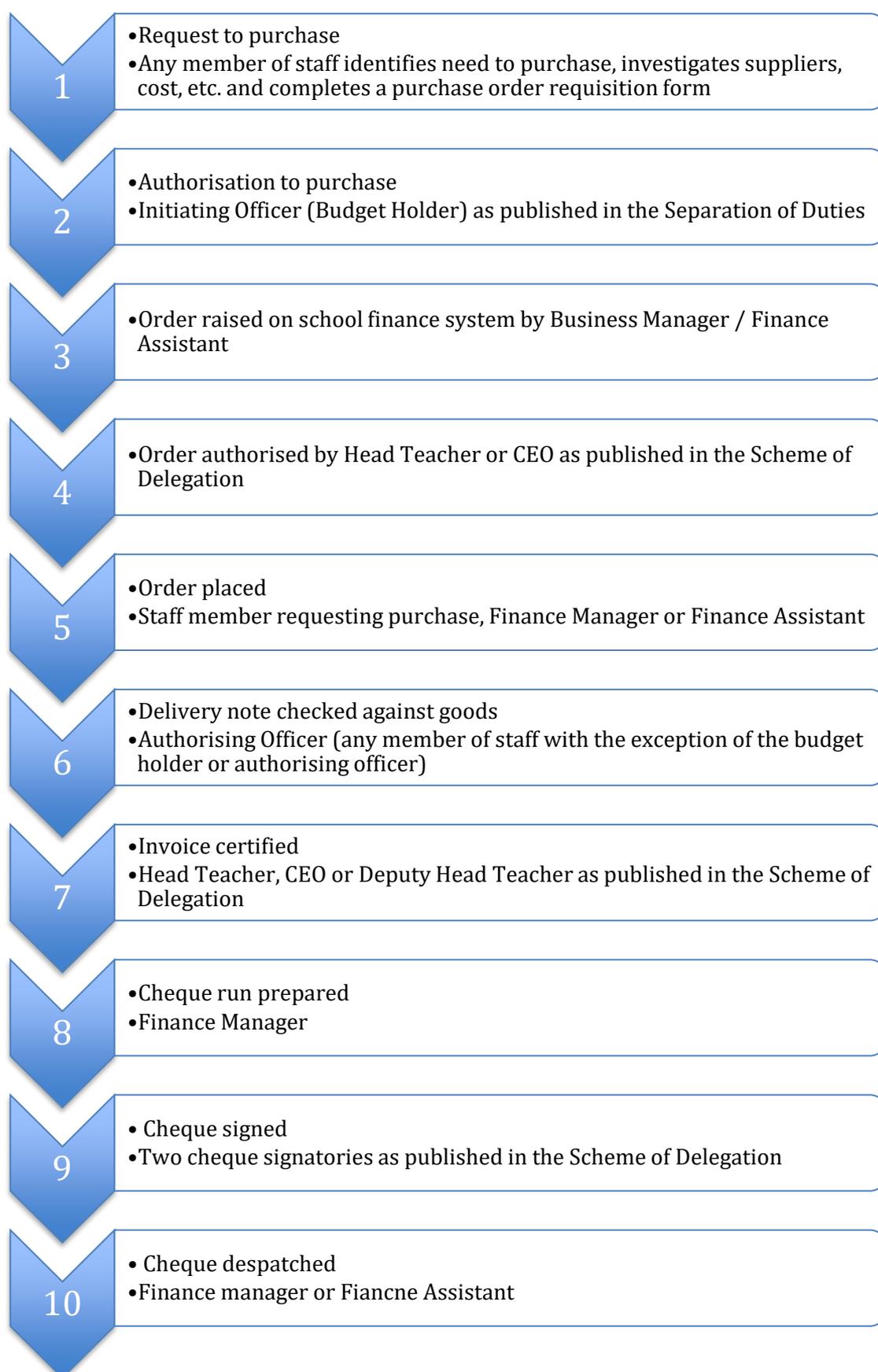
The Trustees determine a minimum of four cheque signatories; of which two should sign each cheque for the academy bank account. The cheque signatories at each school are as follows:

- Head Teacher
- Deputy Head Teacher
- Admin Manager
- Chief Operating Officer
- CEO

For the central bank account the cheque signatories are as follows:

- CEO
- Chair of Trust Board
- Vice Chair of Trust Board

Purchase and Payments – Division of Duties



14. The Nolan Principles

Goldsworth Trust are committed to the 7 principles of public life and all Members, Trustees, Governors and staff pledge to uphold them:

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.