



VISION

Our central belief is that everyone is a learner and everyone is a teacher.

PURPOSE

At The Bourne Academy we develop literate, numerate global citizens who ASPIRE:
Ambitious, **S**elf-confident, **P**hysically Literate, **I**ndependent Learners, **R**esilient, **E**motionally Literate

In the development of this policy consideration has been given to the impact on protected characteristics under the Equality Act and the work life balance of employees.

RATIONALE

The Governors of The Bourne Academy have ultimate responsibility for ensuring that appropriate financial regulations and procedures are in place at the Academy and are adhered to. Such regulations and procedures must take account of best business practice, the Academy's position as a Charitable Company and Governors' responsibility for 'due diligence'.

Insofar as operational responsibilities are delegated through the Finance Committee (FC), the Principal (as Accounting Officer) and the Leadership Team, the Governors have a need to ensure that sound financial control is maintained at all levels where decisions with financial implications are made. It is essential that the extent of delegated authority and responsibility is clearly specified in writing. In many of the areas of responsibility, monitoring and oversight is undertaken through the FC on the Governors' behalf.

The Scheme of Delegation has been prepared accordingly and should complement the Academy's Financial Procedures Manual and associated policies. It should be operated in conjunction with those documents.

Guidance on operation of financial systems and detailed arrangements are contained within the Financial Procedures Manual.

1. POWERS AND DUTIES RESERVED FOR THE BOARD OF GOVERNORS

Responsibilities of The Governing Body include:

General

1.1 Approving a written scheme of delegation of its financial powers and duties to its Finance Committee (FC), the Principal, Business Directors and other staff. The scheme must satisfy the Board of Governors' 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 Financial Regulations of the Academy.

- 1.2 The Scheme of Delegation should be reviewed and approved biennially in respect of its content and effectiveness in operation, and against any weaknesses exposed, either in the external audit report or the Internal Auditors routine checks. The approval should be formally minuted through the Finance Committee on behalf of the Governors.
- 1.3 Ensuring good financial management and effective internal controls. Review and approval of the financial policies in place is delegated to the FC.
- 1.4 Compliance with the funding agreement and the Academies Financial Handbook.
- 1.5 Receiving and considering financial information on the financial performance of the Academy at least six times a year, taking action to ensure ongoing viability.

Budgets/Budgetary Control

- 1.6 Formally approving (and minuting the approval of) the annual Academy budget during the last Governors' meeting of the preceding academic year.
- 1.7 Considering the minutes, budgetary and other financial and control reports from the FC at every meeting, with relevant explanations and documentation where required.
- 1.8 Formally approving and adopting a revised Academy budget for the current academic year (generally in the March meeting) when there has been significant change (£50,000) between the forecasted outturn for the current academic year and the formally approved budget.
- 1.9 Ensuring that the process for independent checking of the financial internal control, systems, transactions and risk is in place as per the requirements of the ESFA Academies Financial Handbook. Presentation of these reports should be received by the FC, with the FC highlighting to the Board of Governors recommendations and actions taken at the next appropriate meeting.

Annual Accounts and External Audit

- 1.10 Appointment of the external auditors.
- 1.11 Consideration and approval of the full statutory annual accounts for the Academy and the financial position as at 31st August of each year within four months of the financial year end. Authorisation of the submission of the annual accounts to the EFSA by 31st December.
- 1.12 Consideration of the full Audit Findings Report for the Academy issued by the external auditors within four months of the financial year end, as reported by the FC.
- 1.13 Liaising with the external auditor, if the auditor suspects any irregularity affecting the resources of the Academy.
- 1.14 Informing the ESFA of any suspicions relating to resource irregularity identified through either internal or external audit processes.

Contracts and Major Purchasing

1.15 Maintenance of a Register of Business Interests for all Governors and those Academy staff with financial responsibilities and/or with a role in selecting contractors or suppliers for major purchases. This will be used to ensure that there are no conflicts of interest in awarding major works or that any such interest is declared in advance so that the individual can be removed from any decision making process on the award of such a contract or major purchasing decision.

1.16 Tenders other than the most financially favourable, or late tenders, with a value of over £100,000 can only be accepted by the Board of Governors who shall minute the reasons for their decision.

Income

1.17 Authorisation of the write off of debts and losses in excess of £10,000 (please note that single transactions over the delegated limits (currently the smaller of £45,000 or 1% of annual income) will need to be approved by the ESFA).

Security of Assets

1.18 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 £10,000.

Principal Remuneration

1.19 To approve the level of the Principal's pay, following a recommendation to the Board from a Governor working party consisting of the Chair, Chair of Finance and another Governor. The recommendation of Principal pay to the Board will be based on a robust evidence-based process and ensuring that pay is a reasonable and defensible reflection of the individual's role and responsibilities.

2. POWERS AND DUTIES DELEGATED TO THE FINANCE AND PAY COMMITTEE (FC) BY THE BOARD OF GOVERNORS

Responsibilities of the Finance Committee include:

General

2.1 Exercising the powers and duties of the Governing Body in respect of the financial administration of the Academy, other than for those items specifically reserved for the Board of Governors and those delegated to the Principal and other staff. Also responsible for overseeing the responsibilities delegated to the Principal and those delegated to other staff including the Business Director

2.2 Reporting on decisions taken under delegated powers to the next meeting of the Board of Governors

2.3 Ensuring good financial management and effective internal controls. Review and approval of all Academy financial policies on a regular basis. Approval should be formally minuted and is carried out on behalf of the Governors.

2.4 Compliance with the funding agreement and the Academies Financial Handbook.

- 2.5 Receiving and considering financial information on the financial performance of the Academy at least three times a year, taking action to ensure ongoing viability.
- 2.6 Review and approval of the Scheme of Delegation on a regular basis (at least biennially) in respect of its content and effectiveness in operation, and against any weaknesses exposed, either in the external audit report or the Responsible Officer / Internal Auditor's routine checks. Approval of the Scheme of Delegation should be formally minuted and is carried out on behalf of the Governors.

Budgets/Budgetary Control

- 2.7 Reviewing the annual Academy budget prior to the start of each financial year, along with indicative figures for the following two years, and recommending its acceptance, or otherwise, to the Board of Governors for consideration during their final meeting of the preceding academic year
- 2.8 Considering budgetary control reports on the Academy's financial position at every meeting, direct the leadership team to take appropriate action to contain expenditure within the budget and monitoring achievement of value for money and outturn costs versus budgeted costs for major expenditure. These matters are also reported on to the Board of Governors
- 2.9 Receiving budget variance reports and projected final outturn estimates throughout the year, noting any significant variances and the reasons behind such variations
- 2.10 Reporting to the Board of Governors all significant financial matters and any actual or potential overspending
- 2.11 Carrying out an annual financial risk review in order to prepare a schedule of review which will be used to direct the work of the internal audit function
- 2.12 Reviewing the reports prepared by the internal auditors, in relation to the schedule of review prepared, and noting their input on the effectiveness of financial procedures and control and/or issues that they feel need to be brought to the attention of the FC. Report on the content of these reports at the next meeting of the Board of Governors, highlighting to them the recommendations contained within the reports and the actions due to be taken

Annual Accounts and External Audit

- 2.13 Reviewing the draft financial statements for each financial year pre and post audit and highlighting any significant issues to the Board of Governors prior to their approval and submission to the ESFA by 31st December
- 2.14 Receiving the full Audit Findings Report from the external auditors at the end of each audit, liaising with the external auditor regarding the findings highlighted in the report and ensuring that appropriate actions will be taken as required. Reporting on the Audit Findings Report to the Board of Governors

Financial Management

2.15 Approving the Academy's Financial Procedures Manual and all corresponding financial policies relating to systems of financial control

Contracts and Major Purchasing

2.16 Authorisation of the advertising of tenders over a value of £100,000 and authorising the award of such tenders.

2.17 Any decisions taken by the Leadership Team to award tenders/contracts other than the most financially favourable, up to a value of £100,000 must be ratified by the Finance Committee who shall minute the reasons for their decision.

Income

2.18 Authorisation of the write off of debts and losses between £1,001 and £10,000

Security of Assets

2.19 Authorising the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with an original purchase value between £5,001 and £10,000 and reporting such authorisations to the Board of Governors

Performance Management and Pay Awards

2.20 Consideration and approval of the annual performance management process of staff, which is carried out by line managers and reviewed by the Principal, in accordance with the Academy's Pay Policy. The Committee should review the pay recommendations for staff to determine whether the performance management process has been carried out in accordance with the pay policy and confirm that pay recommendations made are within the staffing cost of the annual budget approved by the Governing Body.

2.21 To consider and recommend decision on the annual Teachers' Pay Award as set out by the Department of Education at the start of each academic year.

3. FINANCIAL POWERS AND DUTIES DELEGATED TO THE PRINCIPAL

The Principal, as the appointed Accounting Officer of the Academy, has various financial responsibilities as detailed in the Academies Handbook. In addition to these, the responsibilities of the Principal include:

Budgets/Budgetary Control

3.1 Delegation of the approved annual budget to the appropriate budget holders through the Academy's line management system

3.2 Reviewing the annual budget plan, prepared by the Business Director FFI, in readiness for approval by the FC and Board of Governors

Financial Management

3.3 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

- 3.4 Ensuring that full, accurate and up to date records are maintained in order to provide financial and statistical information
- 3.5 Ensuring that all records and documents are available for inspection by the external auditors, internal auditor and the ESFA as required

Contracts and Purchasing

- 3.6 Authorising orders and contracts between £1,000 and £10,000 in conjunction with the appropriate budget holder.
- 3.7 Authorising orders and contracts between £10,001 and £100,000 in conjunction with the Leadership Team.
- 3.8 Ensuring that all contracts and agreements conform to the Financial Regulations

Income

- 3.9 Authorisation of the write off of debts and losses up to £1,000, in conjunction with the Business Directors

Security of Assets

- 3.10 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 FC

Payroll and Personnel

- 3.11 Approving new staff appointments, and pay grades, within the authorised structure of The Academy
- 3.12 Authorisation of the monthly payroll and approval of the payment of salaries each month

Insurances

- 3.13 Ensuring that arrangements for insurance cover are in place and adequate

4. FINANCIAL POWERS AND DUTIES DELEGATED TO THE BUSINESS DIRECTORS

The responsibilities of the Business Directors include:

Contracts and Purchasing

- 4.1 Authorising orders and contracts between £1,000 and £10,000 in conjunction with appropriate budget holder.
- 4.2 Maintaining a register for formal contracts entered into, amounts paid and certificates of completion
- 4.3 Retention of quotes obtained for goods, works and services

Payroll and Personnel

4.4 Authorisation of monthly payroll and approval of the payment of salaries each month

Income

4.5 Authorisation of the write off of debts and losses up to £1,000, in conjunction with the Principal

Insurances

4.14 Notifying the Finance Committee on any eventuality that could affect the Academy's insurance arrangements

Information and Communication Systems

4.16 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 GDPR regulations

5. FINANCIAL POWERS AND DUTIES DELEGATED TO THE BUSINESS DIRECTOR FINANCE, FACILITIES AND IT (FFI)

The responsibilities of the Business Director FFI include:

Budgets/Budgetary Control

5.1 The preparation of an annual draft budget plan for consideration by the Principal, FC and the Board of Governors before the start of the relevant year

5.2 Monthly monitoring of expenditure and income against the approved budget via the preparation of management accounts and submitting these reports on the Academy's financial position to the Principal for review and the FC. Any actual or potential overspending shall be reported to the FC and explanations provided

Annual Accounts and External Audit

5.3 Preparation of the draft annual financial statements in readiness for the annual external audit

Contracts and Purchasing

5.4 Ensuring that all 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

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

Payroll and Personnel

5.6 Notifying the payroll provider of any matters affecting payments to employees

5.7 Reviewing and checking the monthly payroll and ensuring its accuracy before approval.

Income

5.8 Ensuring that all income is accurately accounted for and is promptly collected and banked intact

Banking Arrangements

5.9 Maintaining proper records of account and preparing monthly bank reconciliations

Security of Assets

5.10 Maintaining a permanent and continuous register of all items of furniture, equipment, vehicles and plant

6. 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 Principal and Business Directors:

Budgets/Budgetary Control

6.1 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 Business Director FFI. Any actual or potential overspending shall also be reported to the Business Director FFI

Purchasing

6.2 Budget Holders can authorise orders up to £1,000 provided it is within the scope and remaining balance of their delegated budget

6.3 The Vice-Principal can authorise orders and contracts between £1,000 and £10,000 in conjunction with the appropriate budget holder.

6.4 The following members of staff, in addition to the Principal and Business Directors, are authorised to open tenders in the presence of another authorised person:

- Vice Principal
- Assistant Principals

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

- Budget Holders
- Administrators nominated by the Budget Holder

Payroll

6.6 Budget Holders can authorise time records and authorise overtime within their delegated budget

7 Summary of Financial Authorisation Levels

Delegated Duty	Value	Delegated Authority	Method
Ordering Goods and Services (raising requisitions)	Up to £1,000	Budget Holder	Selection from preferred supplier list unless agreed otherwise with FM
	£1,001 to £10,000	As above plus Principal, Vice-Principal or either Business Director	Dependent on goods – preferred suppliers or 2/3 quotes to be obtained.
	£10,001 to £50,000	As above plus Leadership Team	
	£50,001 to £100,000	As above	Formal tendering process
	Over £100,000	As above plus Finance Committee	Formal tendering process (unless one-off purchase), including advertising in OJEU (if over the OJEU threshold)
	Authority to accept other than lowest quotation or tender	Finance Committee – up to a value of £100,000 Board of Governors for values over £100,000	
Signatories for cheques, BACS payment authorisations and other bank transfers	Any	Two signatories from: <ul style="list-style-type: none"> • Principal • Vice Principal • Chair of Governors • Chair of FC 	
Write-off of bad debts	Up to £1,000	Principal and either Business Director	
	£1,001 to £10,000	As above plus FC	
	Over £10,001	Board of Governors	
	Over the smaller of £45,000 or 1% of annual income	Secretary of State approval required (via ESFA)	
Disposal of assets	Up to £5,000	Principal	
	£5,001 to £10,000	As above plus FC	
	Over £10,001	Board of Governors	
Purchase or sale of any freehold land, freehold buildings and heritage assets	Any	Secretary of State approval required (via ESFA)	
Take up a finance	Any	Secretary of State approval	

lease on any asset for any duration		required (via ESFA)	
Take up of any leasehold or tenancy agreement exceeding five years	Any	Secretary of State approval required (via ESFA)	
Granting a leasehold or tenancy agreement on land or buildings	Any	Secretary of State approval required (via ESFA)	

All organisations need to have a way to deal with things ‘outside the norm’. If it is not possible to follow the Scheme of Delegation, for whatever reason, there must be a formal log to ‘Waive Standing Orders’ which must be signed by the Principal. Any such ‘Waiver of Standing Orders’ shall be retrospectively reported to the Finance Committee at the earliest opportunity.

MONITORING, EVALUATION AND REVIEW

The Governing Body will review this scheme and assess its implementation and effectiveness.

Reviewed and updated by Finance Committee in February 2021.

Approved by Governing Body in March 2021.