Stone Soup Academy
Scheme of Delegation

Approved by:	**COG**	**Date: 01/09/2024**
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Scheme of Delegated Authority Policy

1. Introduction

1.1 Stone Soup Academy's financial procedures enable the transfer of delegated authority from the Trust to members of the Trustees, the accounting officer (also referred to as "Principal"), Headteacher, Senior Leadership Team, Heads of Departments and other staff within the academy. This enables the academy to increase effectiveness through;

- Streamlining decision-making
- Allowing greater flexibility in the use of funds
- Motivating and incentivising staff to maximise the return from their funds whilst maintaining sound financial controls.

1.2 Delegated Authority is the financial limits that are assigned to individuals within Stone Soup Academy regarding their ability to approve new projects, and to commit and approve expenditure.

1.3 Members of staff are expected to have read and understood the Schemes of Delegated Authority Policy and use their delegated authority both appropriately and responsibly.

1.4 The financial limits for approving new projects, and committing to, and approving expenditure, are contained within this policy.

2. Responsibilities

2.1 The Board of Trustees oversee Stone Soup Academy's financial affairs, provide governance and promote the academy's objectives. It has powers and duties conferred on it that are discharged through delegation to the Principal who has responsibility for the management and administration of the whole of the revenue and property of the academy.

2.2 It is the academy's policy to devolve financial responsibility by transferring budgetary control responsibilities to members of the Senior and Middle Leadership Teams, Heads of Departments and other budget holders.

2.3 For Academic Departments within the academy the respective Head of Department, supported by the Academy's Principal is accountable to the Trustees for academy funds expended.

2.4 It is the responsibility of Senior Leadership Teams and Heads of Departments to ensure that their staff are granted appropriate levels of delegated authority.

2.5 It is the responsibility of all staff to ensure their delegated authority is used responsibly, appropriately, and in line with this policy.

2.6 Heads of Department, as budget holders, remain responsible for all budgets falling under their area of control.

2.7 Embedded within budget responsibility is assuring account activity is relevant to the intended purpose of accounts and that spend is within budget limits unless authorised in writing by an appropriate individual/funding body.

3. Scheme of Delegation
3.1 The Scheme of Delegation sets out the levels for authorisation of Delegated Authority Limits.

There are 4 levels as follows –

3.2 Level 1 – This allows the Trustees to authorise delegated authority limits to the Principal. This will authorise the Principal to approve against the primary code(s) and all projects attached to those primary code(s).

3.3 Level 2 – This allows the Principal to authorise delegated authority limits to the Headteacher. This will authorise the Headteacher receiving the delegated authority to approve against the primary code(s) and all projects attached to that primary code.

3.4 Level 3 – This allows the Headteacher to authorise delegated authority limits to Heads of Departments. This will authorise staff receiving the delegated authority to approve against the primary code(s).

3.5 Level 4 – This allows Heads of Departments, and Project Budget Holders to authorise delegated authority limits to their staff working on various projects. This will authorise the staff receiving the delegated authority to approve against the project(s) specified.

3.6 There are two occasions when changes to delegated authority levels are required;

- Permanent Changes (i.e. new appointments, new projects, etc.)
- Temporary Changes (i.e. to cover annual leave, sick leave, etc.)

4. The Trustees
4.1 It is the legal duty of the Trustees to ensure that all financial resources available to Stone Soup Academy are used in an efficient and effective manner in order to ensure that Value for Money is achieved from the resources available to the academy

4.2 Subject to statutory limitation, the Trustees shall delegate any power granted to it by the Trust for funding the academy to the Principal, where they do not seek to retain this directly. ***Appendix 2 shows the scheme of Delegated Authority to the Principal.***

4.3 The Terms of Reference under delegated responsibility must be formally agreed and minuted by the Trustees. The meetings of such Committees shall also be formally minuted.

4.4 Governors and staff of the academy will be required to complete a Register of their Business Interests and declare any links they have with any firm from which the academy may wish to buy goods or services.

5. Finance, Audit and Risk Committee
5.1 The Trustees will have a duly appointed Finance, Audit and Risk Committee to which the following responsibilities have been delegated (though Trustees retain the right for the full Board to review these areas);

- Budget planning and preparation
- Budgetary control and monitoring

- To approve and maintain financial procedures to safeguard the academy's assets.

5.2 Finance, Audit and Risk Committee will be made up of a selection of members of the Trustees and the Senior Team will meet at least once a term (usually 4 times a year). The Committee will work to the agreed Terms of Reference (***see Appendix 1***) as approved by the full Trustees.

5.3 The minutes of the Committee will be available for all Trustees to access and review.

6. The Principal

6.1 The Trustees delegates authority for the Principal to incur expenditure, within the constraints of the approved academy budget, subject to a limit of £20,000. The following are excepted;

- Teaching and support staff costs
- Utility costs

6.2 Expenditure incurred under delegated authority will be subject to the academy's procurement arrangements for the supply of work, goods or services**.**

6.3 Expenditure

Trustees agree to the following:

- Up to £10,000: no requirement for a competitive procurement process; approval required from both the CFO and HeadteacherPrincipal: The school may seek informal quotes where relevant to ensure best value.
- Between £10,001 and £75,000: a competitive procurement process (three quotes) is required, with approval from both the CFO and Principal.
- Between £75,001 and £175,000: a competitive procurement process is required, with approval from the Trust Board.
- Above £175,000: a regulated procurement process is required, with approval from the Trust Board.

**Any decisions made should be reported to the next Finance, Audit and Risk Committee meeting.*

6.4 The Principal and Headteacher have authority to delegate approval to incur expenditure to other staffwithin the limits of the approved departmental budgets.

6.5 The Principal must ensure that all staff to whom financial responsibility is delegated have a copy of this policy.

7. The Academy Chief Finance Officer

7.1 They will ensure the proper processing of orders and invoices generated by the academy and the checking of goods received. All individuals who are involved in the spending, collection and custody of academy resources must observe satisfactory probity and regularity.

7.2 The Principal will prepare the academy's annual budget and longer term spending plans, oversee the maintenance of computerised records of income and expenditure. The Head of Business and Operations will check and reconcile the academy's financial records and monthly bank statements,

carry out monitoring procedures and produce regular monitoring statements for the Principal and Trustees..

8. Authority to Vire – Transfer Budget between Cost Centres

8.1 The Trustees delegates to the Principal approval to vire between cost centres within the overall limits of the approved budget plan to a maximum of £50,000.

8.2 Any virements between cost centres will be reported to the next meeting of the Finance, Audit and Risk Committee.

9. Authority to Utilise Non Committed Reserves

9.1 The use of non-committed reserves (as identified in the budget plan) will not be permitted without first examining the options for virement as defined in section 8 above.

9.2 The Principal has delegated powers to use non-committed reserves to meet unavoidable or unforeseen expenditure up to a limit of £50,000 per financial year.

9.3 The use of these reserves must be reported back to the Finance, Audit and Risk Committee as part of the termly meetings.

10. Monitoring Framework

10.1 The Chief Finance Officer will submit monthly management accounts to Trustees.

10.2As part of this, the Chief Finance Officer will provide information on budget virements and the use of reserves.. The Principal will provide further information to the Finance, Audit and Risk Committee as required, in order to demonstrate that sound financial management of the academy is in place.

11. Chair of the Finance Audit and Risk Committee

11.1 The Chair of the Finance, Audit and Risk Committee has delegated authority to act in the absence of a Finance, Audit and Risk Committee meeting. All such action must be reported at the next meeting of the Finance, Audit and Risk Committee.

11.2 Financial decisions will be made after consideration of:

- Priorities as identified in the Academy Improvement plan
- The needs of the students and staff of the academy
- The need to support and deliver the National Curriculum together with any additional elements agreed by the Trustees
- The resources delegated to Stone Soup Academy.

12. Budget

12.1 Finance, Audit and Risk Committee together with the Principal will consider the on-going development plans and will provide costs both for maintaining the required level of educational provision and also for proposals to develop the short, medium and long term aims and objectives as identified in the Stone Soup Academy Improvement Plan.

12.2 Such consideration will include the determination of an appropriate level of general contingency and the formulation of a policy for the application of any balances in excess of the agreed target for general contingencies on the development proposals in the Academy Development Plan.

12.3 It is recognised that finite resources will lead to a need to place proposals into priority order and to accelerate/delay spending plans as circumstances change.

12.4 The Principal will prepare for consideration by the Finance, Audit and Risk Committee draft/consultation papers on issues to be addressed in preparation for the following year's budget.

12.5 The Trustees will have regard to the principles of Best Value when making decisions about how the available resources are to be utilised. In order to do this the Trustees will have regard to any guidance provided by the DfE and Ofsted and to other relevant documentation and guidance.

12.6 Benchmarking data as appropriate will be utilised as part of budget setting

13. Review of Contracts for Services

13.1 Finance, Audit and Risk Committee will review the quality, cost and impact of services purchased from outside providers (including the LA) on an ongoing basis and before contracts are renewed.

13.2 To assist in this process the Principal will prepare a schedule detailing the service contracts, together with values and renewal dates in order that priorities for review can be determined. After each review, the Finance, Audit and Risk Committee will make recommendations to the Trustees.

14. Capital Expenditure

14.1 Finance, Audit and Risk Committee will give consideration to the use of the devolved capital allocations available to the academy in the light of the priorities identified by the Principal and included in the Academy Development Plan and then make recommendations to the Trustees.

14.2 Before purchases are made consideration will be given to economies of scale available to the academy.

14.3 The Trustees require that staff will follow official ordering procedures at all times and written pre-numbered orders will be used. Verbal orders will be followed up by a written confirmatory order.

14.4 Individuals must not use official orders to obtain goods and services for their private use. All official orders will be recorded on the academy's computerised financial system. Orders made on-line should also be followed by an official order.

15. Procedures and Security

15.1 The academy will make use of a computerised financial monitoring package. Data will be input on a regular basis including financial commitments made by the academy.

15.2 Information will be input from academy bank statements every month.

15.3 Appropriate use of the package and orderly filing procedures will ensure that all transactions are traceable.

15.4 Security passwords will be maintained on the computer and documentation will be kept in a secure location.

15.5 Regular backups will be made of the information held on the computer with the backups stored securely and separately from the computer. The academy will maintain approved software for the administration of financial records.

17. Security of Stocks and Equipment

17.1 An inventory will be kept in the academy and updated and checked on an annual basis.

17.2 The Trustees will ensure appropriate and adequate insurance arrangements are in place to protect the academy's assets..

17.3 The academy will consider additional "voluntary" insurance arrangements e.g. staff absence insurance and contents insurance. Finance, Audit and Risk Committee will have due regard to the terms of the insurance documents and these will be considered as and when renewal is required.

17.4 In addition to the measures above the following procedures will be followed;

- A register will be maintained of equipment removed from academy for use off-site and when it was returned
- The Trustees will authorise all write-offs and disposal of surplus stocks and equipment

18. Petty Cash

18.1 The amount of cash in the academy will be kept to a minimum and all monies and financial records kept in secure storage.

18.2 There will be a limited use of petty cash.

19. Income and VAT returns

19.1 The Trustees will implement a charging policy. Steps will be taken to ensure the early collection of income due and receipts issued and records kept.

19.2 VAT returns will be made promptly and accurately using the computerised system.

20. Staffing

20.1 Finance, Audit and Risk Committee will be responsible for the Pay Policy annually and will consider appointments, terminations, promotions and performance management as necessary.

21. Monitoring and Review

21.1 The Trust Board or the Finance, Audit and Risk Committee will review this policy at least annually and more often when legislation and guidance changes.

Appendix 1
Finance, Audit and Risk Committee Terms of Reference

1. Ensure sound management of the academy's financial situation and the achievement of Value for Money by monitoring and evaluating financial performance.

2. Establish regular reporting procedures and make recommendations, where necessary (including virement proposals), to the Trustees.

3. Ensure the academy development plan is fully costed and provides a sound basis for long term financial planning.

4. Give consideration to the initial budget and long term financial plans and make recommendations to the Trustees.

5. Ensure that the academy complies with the principles of Best Value in using the resources available and make recommendations to the Trustees.

6. Ensure that regular (at least annual) financial self evaluation (including the use of local and national financial benchmarking data) is undertaken.

7. Give consideration to the signing off process of the annual Statement of Internal Control, with recommendations to the Trustees.

8. Regularly review the policy on its level of balances and make recommendations, as appropriate, to the Trustees.

9. To evaluate the quality, cost and impact of services purchased from all outside providers before contracts are renewed.

10. To consider the priorities for use of the Capital Funding made available to the academy and to make recommendations to the Trustees.

11. To consider the annual insurance requirements and make recommendations to the Trustees.

12. To receive the report of the financial auditors and to act upon any recommendations made therein.

13. Determine the academy's charging policy.

Appendix 2
Scheme of Delegation to the Principal

The Principal shall have delegated power to undertake all functions delegated from the Trustees on the basis that;

(a) they shall comply with all policy directions given to them from time to time by the Trustees

(b) they shall have the authority to expend all monies allocated to individual or specific items in the approved budgets without further reference to the Trustees; but where no such specific item exists in the budget he/she shall not enter into any financial commitment without the consent of the Trustees or in the case of an urgent matter, the Chair

(c) the above delegation shall not apply in respect of the appointment of staff. It shall be for the Trustees to determine from time to time the extent of the power of the Principal to deal with staffing matters

(d) the Principal shall not vire from one budget head to another any sum exceeding £50,000, without the consent of the Trustees or, in the case of an urgent matter, the Chair

(e) the Principal shall maximise academy funds by careful use of agreed investment opportunities and shall not transfer funds between current and investment accounts unless to do so has been agreed by the Trustees

(f) any proposal to incur expenditure on new or significantly different policies to be the subject of a report by the Principal to the Trustees; the report to include details of cost in both the current and future years

(h) the Principal shall have the power to nominate the Headteacher or another named (senior) member of staff to exercise the powers of this delegation during any periods of absence;