



HIGHWORTH WARNEFORD SCHOOL

SCHEME OF DELEGATION

Academic Year 2022-23

THE ORGANISATION OF RESPONSIBILITY AND ACCOUNTABILITY

The financial responsibilities of the Trustees, its sub-committees, the Headteacher and all school staff involved in administering and managing the school budget, are precisely defined in writing to:

- ensure that all duties are performed and controls implemented without duplication of effort;
- provide a base reference, reflected in job descriptions and statutory responsibilities against which all relevant persons can be held accountable;
- prescribe the limits of each person's financial responsibility and authority;
- describe the routes by which Trustees are informed of pertinent financial facts, figures and events.

TRUSTEES WILL:

- adopt the DfE Academy Trust Handbook (formerly known as the Academies Financial Handbook) in all respects which contains descriptions of financial systems and processes.
- appoint a Responsible Officer.
- appoint the Headteacher (Senior Executive Leader) as the Accounting Officer.
- establish formal procedures and a timetable for 'budget planning'.
- ensure that only a balanced, sound budget is approved.
- ensure that records are maintained that can provide auditors with any explanations they consider necessary e.g. why a contract was not offered to the lowest cost tender.
- approve the Annual Report and Accounts for submission to the ESFA and Companies House
- promptly consider and respond to any recommendations made by auditors or inspectors.
- monitor the budget and implement virements when appropriate.
- ensure that the school obtains best value for money.
- establish a charging policy for the supply of goods or services.
- have an open register of trustees, members and staff with pecuniary interests – this should provide some level of personal protection.
- ensure that the financial duties of staff are described in such a way that potential conflicts are avoided e.g. at least two people are involved in processing receipts and payments.
- (along with the Headteacher) ensure
 - i. that salary payments are only made to the school's employees.
 - ii. that salary payments are made in accordance with conditions of employment.
 - iii. that salary payments are only made for services provided to the school.
 - iv. that appropriate deductions are made, e.g. income tax and national insurance.
 - v. that changes to the payroll are accurately and quickly forwarded for processing.
- ensure all risks are covered under our insurance policy. The premiums should be paid from the school's delegated budget.
- will follow standard procedures with regards to the writing off/disposal of stock and assets.
- ensure that the school separately publishes the pay of employees with annual benefits of over £100K
- maintain a Gifts and Hospitality register in line with the relevant policy

In order for the Trust to be managed in a transparent manner, **TRUSTEES WILL** publish on its website up-to-date details of its governance arrangements in a readily accessible format, including:

- the structure and remit of the trust's members, board of trustees and committees
- for each of the trust's members serving at any point over the past 12 months, their full names, date of appointment, date they stepped down (where applicable), and relevant business and pecuniary interests including governance roles in other educational institutions
- for each trustee serving at any point over the past 12 months, their full names, date of appointment, term of office, date they stepped down (where applicable), who appointed them, and relevant business and pecuniary interests including governance roles in other educational institutions.
- If the accounting officer is not a trustee their business and pecuniary interests must still be published
- for each trustee, their attendance records at board and committee meetings over the last academic year

THE HEADTEACHER/SCHOOL BUSINESS MANAGER

Although the Trustees have a statutory responsibility for the oversight of most areas of school life including financial management, a great deal of responsibility is often delegated to the Headteacher and the School Business Manager for:

- checking the budget from the ESFA
- setting a draft budget to discuss with the Trustees and appropriate committees
- the day-to-day running of the budget

More specifically the Headteacher/SBM have the following responsibilities. They must:

- establish sound internal financial controls which are managed on a day-to-day basis.
- ensure that there are effective financial systems, policies and procedures in place and that these are implemented by all appropriate staff.
- ensure that relevant Academy Trust Handbook regulations, ESFA or DfE requirements are implemented.
- facilitate the formation and implementation of the budget.
- prepare appropriate budget and cash flow estimates to facilitate the budget planning cycle.
- produce regular reconciled budget/financial reports to the Governing Body, Companies House, ESFA and DfE as appropriate.
- manage the process of monitoring, evaluating and reviewing the financial systems, Accounting Policy and procedures.
- obtain regular reports on the payroll and reconcile them against the School's records.
- obtain the Trustees' approval for any budget virements greater than £10,000.
- seek external expertise as and when required.
- consider and respond promptly to recommendations in school audit/inspections and of any remedial action.
- report any financial irregularities to our Auditors, the ESFA/DfE immediately and to a registered inspector if appropriate.
- assess any irreconcilable entries on the regular budget reports received by Heads of Departments and other budget holders and propose any action that is required.
- ensure the maintenance of accurate and current inventories of all items worth over £100 each. The inventory should record a description of the item and the make, model number and serial number where appropriate. All items should be identified with a security marking to confirm the item belongs to the school.
- ensure the adequacy of its insurance arrangements as part of the annual financial review.
- ensure the effective implementation of the School's policy on Asset Management.
- implement the School's, pay policy and appointment procedures.
- ensure all correct financial procedures are adhered to.

HEAD OF DEPARTMENT/BUDGET HOLDER

Budget holders are responsible for managing their account and, to this end, they consult regularly with the SBM or SFO and receive regular statements of their accounts.

The distribution of capitation on a student-period formula basis is discussed and agreed annually.

Generally, the Head of Department/Budget Holder has a responsibility to:

- reconcile their regular budget information with their own records of income and expenditure (on a regular basis) to produce an internal control system and to inform their budget plans;
- account for the use of the resources purchased from the budget directly under their control;
- inform the Headteacher/SBM of any irregularities on the monthly budget reports.

Approved by: Board of Trustees

Date: September 2022

Next review due by: September 2023

Key:

DfE – Department for Education

ESFA – Education & Skills Funding Agency

SBM – School Business Manager

SFO – Senior Finance Officer



HIGHWORTH WARNEFORD SCHOOL
TRUSTEES' FINANCE, RISK AND AUDIT COMMITTEE
TERMS OF REFERENCE
Academic Year 2022-23

These Terms of Reference should be read together with the Scheme of Delegation attached. Together, they determine the roles and responsibilities of the Governing Body and each person involved in the administration of school finances to avoid the duplication or omission of functions and provide a framework of accountability.

The Full Board of Trustees has delegated to this committee responsibility for undertaking all work relating to the finances of the school, except for funds raised by the Parent Teacher Association, which are considered separately. This committee also maintains the School's Risk Register and keep all trustees informed of matters arising.

Within this responsibility, there are aspects that will be considered by the Committee in the first instance but will be passed to the Full Board if significant strategic discussion and direction is required. These include resources/premises and risk management. There are also statutory responsibilities that lie with the Full Board but typically recommendations from this committee are accepted.

Membership

Trustees may volunteer to serve on this committee. Membership will include the Headteacher (also as a trustee), the Chair of Governors (a trustee and member), the Business Manager (not a trustee) and other trustees. Other members of staff may be invited to attend meetings as required.

The committee will elect a Chair at least every two years.

A quorum will be three trustees; two of whom should be not employed by the school. The aim is to have a committee of a minimum of five trustees in total.

When, from time to time, the committee requires professional advice it may call upon the services of the appointed Auditors or other expert consultants.

Meetings

There are six scheduled Finance, Risk and Audit Committee meetings planned per annum:

| | | | | | |
|------------|------------|------------|------------|------------|------------|
| 22/09/2022 | 10/11/2022 | 02/02/2023 | 16/03/2023 | 11/05/2023 | 15/06/2023 |
| | | | | | Budget |

In addition, there are six scheduled meetings where the Headteacher, School Business Manager and Chair of the Governing Board meet to ensure ongoing financial overview:

| | | | | | |
|------------|------------|------------|------------|------------|------------|
| 07/09/2022 | 05/10/2022 | 30/11/2022 | 11/01/2023 | 19/04/2023 | 12/07/2023 |
|------------|------------|------------|------------|------------|------------|

Policies – Related Parties

Rationale

- Clear direction and advice for maintaining financial control systems in schools is given in the publication Academy Trust Handbook produced by the Education and Skills Funding Agency (ESFA).
- Compliance with the Academy Trust Handbook is a requirement in the school's funding agreement made with the Secretary of State.
- This document has been adopted by the Governing Body and forms the basis of all Financial and Business Procedures to be used within the school. The procedures laid out within this document are intended to supplement but not supersede the handbook.

Business Integrity - Register of Pecuniary Interests

- All trustees and members of the Senior Leadership Team (SLT) have a responsibility to avoid any conflict between their business and personal interests and affairs and the interest of the school.
- This conflict might never arise but the Register of Pecuniary Interest completed by SLT and trustees should include any area that might cause, at any time, a conflict to arise. By stating within the register any outside activity that could conflict at some time with the work done by staff in their position as an employee of the school, staff are covering themselves from any suggestion of impropriety in the future.
- It is preferable to state even the most tenuous link rather than leave oneself open to suggestions of wrongdoing. The disclosures should also include business interests of relatives and other individuals who may exert influence.
- The Register should be completed once a year by SLT and trustees. It is held by the Clerk to Governors, and a summary is produced for the school website.

Responsibility and Accountability

The Full Board is responsible for approving the annual budget, and receives regular reports from the Finance, Risk and Audit Committee. This Committee will:

1. So far as it is practical, take into account the anticipated expenditure in the School's Improvement Plan and:
 - Consider and prepare a draft budget plan for ratification by the Full Board;
 - Consider and approve any proposed revision to the budget plan submitted by the Headteacher during the course of the year.
 - Consider and approve any referrals or recommendations for expenditure.
 - Approve the allocation to itemised budget headings proposed by the school staff.
 - Approve virements as necessary between accounts. During the course of the year, the Headteacher may vire sums of up to £10,000 on his own authority. The Finance, Risk and Audit Committee should be made aware of and ratify virements of between £10,000 and £25,000. Any virement over £25,000 shall require the ratification of the Full Board.
2. So far as practicable, spend the delegated budget before the end of the financial year.
3. Monitor spending, paying particular regard to variations of expenditure, which may lead to overspending of the whole school budget.
4. Monitor any carried forward GAG and ensure that there is a clear plan for its use.
5. Review the external auditor's plan for the year.
6. Receive and act upon audit statements from our appointed Auditors, which must be available for inspection.
7. Recommend to the Full Governing Body the reappointment of the auditors of the Academy.
8. Agree the financial statement which forms part of the annual report of the Governing Body filed in accordance with Companies Act and Charity Commission requirements.
9. Ensure that Members are provided with a copy of all audited reports and accounts for their scrutiny.
10. Draw up a charging policy and determine the levels of any fees or charges the school is entitled to levy including:
 - Rents or charges for the use of school premises or assets by other organisations providing such use does not compromise the provision of education to the students of the school.
 - Charges for optional extra-curricular activities except for instrumental tuition.
11. Agree the delegated limits within which the Headteacher and school staff may spend without seeking the approval of the committee or Full Board. (See later)
12. Investigate financial irregularities.
13. Annually review these Terms of Reference and to recommend to the Full Board the adoption of any changes considered necessary.
14. Record and circulate minutes of all meetings to all members of the Full Board.
15. Ensure that when decisions are made by the subcommittee that consideration is given to any risk involved.

Expenditure

The school budget is divided into five main headings:

- i. Staffing
- ii. Premises costs
- iii. Supplies & Services, which includes administration, books, stationery and materials.
- iv. Capital Expenditure
- v. Contingency

Local orders can be used up to a value of £500. Orders for work up to the value of £3,000 may be placed with nominated School contractors. A single contract for goods and services of the value £3,000 - £25,000 shall go ahead only after receipt of three written quotations. At this level, the decision-making process is delegated to the Headteacher and School Business Manager.

Contracts for goods and services exceeding £25,000 but not exceeding £50,000 shall go ahead only after receipt of three written quotations and the approval of the Finance, Risk & Audit Committee other than:

- a. when the urgency of the work requires such immediate attention that written or multiple quotations are impractical; in such cases authority to proceed should be granted by the Headteacher or a quorum of the Finance Committee
- b. when insufficient contractors or suppliers are available who are able or prepared to quote for the work or goods in question;
- c. when the DfE has already done the market testing.

In the above cases the Chair of the Finance, Risk and Audit Committee can give the authority to go ahead, and ensure that the committee is made aware of this decision at the next meeting and it is minuted.

Contracts for work or goods exceeding £50,000 shall only be placed after a formal tendering process.

In general, we will accept the lowest quotations/tender, unless there are sound reasons for not doing so. In such cases the reasons will be reported to the Full Board by being recorded in minutes.

In addition, this Committee will take a lead role in considering the following (but refer aspects to the Full Board if there are aspects of significant strategic importance):

Risk

- Review, monitoring and assurance of the trust's risk register
- Annual review of all insurance arrangements
- Seek assurance of the implementation of safeguarding policies
- Consider whether any report or other information considered by it should trigger any change in this scheme of delegation

Resources & Premises

- To ensure that the Chair of the Finance, Risk and Audit Committee has overview and sign-off of all bids for additional resources, along with the Accounting Officer, for all bids of a value above £50,000 e.g. Condition Improvement Fund bids. The committee will be kept informed of any subsequent processes.
- To seek assurance that appropriate inspections of the school's premises and grounds takes place
- To have an overview of the school's premises Master Plan
- To review, adopt and monitor a Health and Safety policy
- To have an overview of the schools' business continuity plans

Pay Panels

A subset of this committee (Chair of Finance, Chair of Trustees and one other) will form Pay Panels for both Teaching Staff (to scrutinise recommendations from the Headteacher) and the Headteacher. They will report back on all decisions to the Full Board.

Approved by: Board of Trustees

Date: September 2022

Next review due by: September 2023

Key:

DfE – Department for Education

ESFA – Education & Skills Funding Agency

SBM – School Business Manager

SFO – Senior Finance Officer

SLT – Senior Leadership Team

GAG – General Annual Grant