



Scheme of Delegation

The scheme of delegation outlines the financial responsibilities delegated to the Principal, Business Manager and other members of school staff.

It outlines financial limits and authorised signatories applicable to financial processes and transactions as well as procurement rules.

FINANCIAL POWERS AND DUTOES DELEGATED TO THE PRINCIPAL

The Principal will take the responsibility of Accounting Officer.

The Accounting Officer is personally responsible to the governing body for:

- Ensuring regularity and propriety
- Prudent and economical administration
- Avoidance of waste and extravagance
- Efficient and effective use of available resources; and
- The day to day organisation, staffing and management of the academy

The Principal has delegated powers and functions in respect of internal organisation, management and control of the UTC, the implementation of all policies approved by the Governing Body and for the direction of teaching and the curriculum.

The Principal shall be responsible for:

1. Budget setting

- Overseeing the preparation and presentation of the draft annual budget and providing medium term financial forecasts to the Finance and Resources Committee in a timely manner.
- Each year an annual timetable should be prepared and submitted to the Finance and Resources Committee to ensure budgets are prepared and approved within DfE deadlines.

2. Budgetary control

- Review monthly financial monitoring reports
- Approving transfers between budget headings up to £20,000 and reporting such approval to the Finance and Resources Committee.

3. Financial management

- Ensuring the arrangements for collection of income, ordering of goods and services, payments and security of assets are in accordance with the Financial Regulations.

4. Purchasing

- Authorising orders and contracts up to £20,000 in conjunction with the Business Manager.
- Ensuring that all contracts and agreements conform to the Financial Regulations.

5. Payroll and personnel

- Approving new staff appointments within the authorised establishment
- Certifying the payment of salaries each month, in conjunction with the Business Manager
- Certification of all payroll forms e.g. Overtime, change of contract etc.

6. Security of Assets

- Authorising the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with an original purchase value up to £1,000 and reporting such authorisations to the Finance and Resources Committee.

7. Accounts and audit

- The operation of financial processes within the UTC, ensuring that adequate operational controls are in place and that the principals of internal control are maintained
- Ensuring that full, accurate and up to date records are maintained in order to provide financial and statistical information
- Ensuring that all records and documents are available for audit by the appointed external auditors and by the Responsible Officer.

8. Insurance

- Notifying the Finance and Resources Committee on any eventuality that could affect the UTC's insurance arrangements.

FINANCIAL POWERS AND DUTIES DELEGATED TO THE BUSINESS MANAGER

1. Budget setting

- Preparing and presenting of the draft annual budget and providing medium term financial forecasts to the Finance and Resources Committee in a timely manner.

2. Budgetary control

- Preparing monthly financial monitoring reports, presenting the reports to the Finance and Resources Committee and highlighting and differences to the approved budget including changed assumptions and actual/forecasted variances.

3. Financial Management

- Ensuring the arrangements for collection of income, ordering of goods and services, payments and security of assets are in accordance with the Financial Regulations.

4. Purchasing

- Authorising orders and contracts up to £20,000 in conjunction with the Principal
- Ensuring all contracts and agreements conform to the Financial Regulations
- Maintaining a register of formal contract entered into, amounts paid and certificates of completion
- Retention of quotes obtained for goods, works and services
- Ensuring that correct invoices are duly certified by authorised staff before payments are made and that invoices and other records are retained and stored in a secure way and are readily available for inspection by authorised persons.

5. Payroll and Personnel

- Ensuring that the monthly payroll is checked and certified for payment in conjunction with the Principal's PA.

6. Banking Arrangements

- Reviewing and certifying monthly bank account reconciliations
- Maintaining proper records of account.

7. Security of Assets

- Ensuring that proper security is maintained at all times for all the buildings, furniture, equipment, vehicles, stock, stores, cash, information and records etc. under his/her control
- Maintaining a permanent and continuous register of all items of furniture, equipment, vehicles and plant (de minimus value £250).

FINANCIAL POWERS AND DUTIES DELEGATED TO OTHER STAFF

1. Budgetary control

- UTC appointed Budget Holders are also responsible for checking and certifying monthly statements of expenditure against their delegated budget and for reporting any errors or irregularities to the Business Manager.

2. Purchasing

- UTC appointed Budget Holders are responsible for checking and certifying purchase orders raised against their budgets are appropriate and best value for money.
- The following members of staff, in addition to the Principal and the Business Manager, are authorised to open tenders in the presence of another authorised person:
 - Assistant and Deputy Principals
- The following members of staff are authorised to receive and check goods:
 - Departmental Budget Holders
 - Administrators nominated by the Budget Holder

3. Payroll and Personnel

- The Principals PA is responsible for notifying the payroll provider of any matters affecting payments to employees
- The Principals PA is also responsible for ensuring the monthly payroll is checked and certifying it for payment in conjunction with the Business Manager

SUMMARY OF FINANCIAL AUTHORISATION LEVELS

Delegated Duty	Value	Delegated Authority
Ordering goods and services	£0 - £20,000	Principal & Business Manager
	£20,001 - £40,000	Principal & Finance and Resources Committee
	Above £40,000	Trust Board/Governing Body
Authority to accept anything other than the lowest quote	Any	Principal & Business Manager authorised within a limit of 10% difference. All others must be authorised by the Finance and Resources Committee
Authorisation of invoices	Any	Delegated Budget Holder & Business Manager
Bank account transfers and BACS/cheque payment authorisation	Any	2 signatories from: Business Manager, Principal and Member of the Trust
Virements between budget heads (all reported to Finance and Resources Committee)	Up to £20,000	Principal
	£20,001 - £40,000	Principal & Finance and Resources Committee
Income invoice approval including submission of VAT claims	Up to £20,000	Principal
	£20,001 - £40,000	Principal & Finance and Resources Committee
Disposal of Assets	Up to £1,000	Principal
	Above £1,000	Finance and Resources Committee
Write off bad debts	Up to ESFA delegated limit*	Finance and Resources Committee
	Above ESFA delegated limit	ESFA
Signatories for grant claims/DfE returns	Any	2 signatories from: Principal, Assistant Principal, Business Manager, Chair of Finance and Resources Committee
Quotations and tendering	Up to £10,000	3 verbal quotes where possible and appropriate
	£10,000 – £20,000	Minimum of 3 written quotes. To be retained by Business Manager
	£20,001 - £40,000	3 written tenders as a minimum
	£40,000 – OJEU limit	Formal tendering process requiring Finance and Resources Committee approval
	Over OJEU limit	OJEU advert required and Governing Body approval

* In FY 2018 ESFA delegated limit for the write offs is 1% turnover or £45,000 (whichever is smaller) per single transaction. Cumulative write offs over 5% turnover in any financial year per category of transaction must also be ESFA approved

Summary transactions requiring ESFA involvement

The academy trust has autonomy over financial transactions arising in the normal course of business. However, some transactions have delegated authority limits beyond which trusts must obtain approval from ESFA as noted below

Area	Transactions	Action where [x.y] is the Financial Handbook reference
Novel, contentious and repercussive	Novel, contentious and repercussive transactions	ESFA agreement required [3.2]
Special payments	Staff severance and compensation	ESFA agreement required if £50,000 or more before tax [3.3.5 and 3.3.9]
	Ex gratia payments	ESFA agreement required [3.3.12]
Write-offs and liabilities (subject to £250,000 ceiling)	Writing-off debts and losses	ESFA consent required if exceeds: <input type="checkbox"/> 1% of annual income or £45,000 individually; or <input type="checkbox"/> 2.5% or 5% of annual income cumulatively [3.4]
	Entering into guarantees, indemnities or letters of comfort	
Acquisition and disposal of fixed assets	Acquiring freehold on land/buildings	ESFA agreement required [3.5.1]
	Disposing of a freehold on land/buildings	ESFA agreement required [3.5.1]
	Disposing of heritage assets if outside range defined in the funding agreement	ESFA agreement required [3.5.1]
	Other disposals	Trust has full discretion [3.5.2]
Leasing	Taking up a finance lease	ESFA agreement required [3.6.2]
	Taking up a leasehold on land and buildings	ESFA agreement if lease term seven years or more [3.6.2]
	Taking up any other lease	Trust has full discretion [3.6.3]
	Granting a lease on land and buildings	ESFA agreement required [3.6.2]
GAG	GAG carry forward	Not applicable for UTC Leeds
	Pooling by MATs	Not applicable for UTC Leeds
Borrowing	Bank or sponsor loan, overdraft	ESFA agreement required [3.8]
	Credit cards (for business use)	Trust has full discretion provided charges not incurred [3.8]
Related party transactions	Supplies to the trust from related parties	ESFA agreement required over £20,000 or where <ul style="list-style-type: none"> a contract of any value that would take the total value of contracts with the related party beyond £20,000 in the same financial year ending 31 August

		<ul style="list-style-type: none"> a contract of any value if there have been contracts exceeding £20,000 individually or cumulatively with the related party in the same financial year ending 31 August
Fraud	Fraud notification (including theft and irregularity) must be reported to the ESFA when	<p>Any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year.</p> <p>Any unusual or systematic fraud, regardless of value, must also be reported</p>

All of the ESFA referrals should be noted in the updates to the Resources committee