

Pegasus Academy Trust



Board of Directors Scheme of Delegation

March 2022

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1 Powers and duties reserved for the Members

1.1 The Members main functions are:

- a)** Overseeing the achievement of the objectives of the Trust.
- b)** Taking part in Annual and Extraordinary General Meetings.
- c)** Appointing and removing directors in certain situations.
- d)** Appointing the Auditors and removing them if deemed necessary.
- e)** Receiving the Trust's annual audited accounts.
- f)** Amending the Trust's articles of association

2 Powers and duties reserved for the Board of Directors

The Board of Directors shall be responsible for:

- 2.1 General.** Approval of a written scheme of delegation of its financial powers and duties to its Finance Committee, the Executive Principal and other staff. The scheme must satisfy the Board of Directors ultimate responsibility for ensuring that there are adequate operational controls in place for all the financial processes within the Trust. The Scheme of Delegation should be operated in conjunction with the Financial Regulations of the Trust.
- 2.2 Budgets/Budgetary Control.** Formally approving the annual budget of The Trust at least two months prior to the start of each financial year (1st September).
- 2.3** Considering budgetary control reports from the Finance Committee at every meeting, with relevant explanations and documentation where required.
- 2.4** Authorisation of all virements in excess of £50,000 between budget headings. Details of all virements approved and authorised by the Finance Committee are to be formally notified to the Board of Directors.
- 2.5 Purchasing.** Maintenance of an annual Register of Business Interests for all Governors and those Academy staff with financial responsibilities and publishing this on the Trust's website
- 2.6** Authorisation of the advertising of tenders above £100,000, and authorising the award of such tenders.
- 2.7** Tenders other than the most financially favourable, or late tenders, can only be accepted by the Board of Directors who shall minute the reasons for their decision.
- 2.8 Income.** Authorising the write off of debts not collectable (the Secretary of State's prior approval is also required if debts to be written off are above the value set out in the annual funding letter).
- 2.9 Security of Assets.** 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 £5,000.
- 2.10 Accounts and Audit.** . Reviewing the draft financial statements prior to audit
- 2.11** Receiving the reports of the external auditor.
- 2.12** Receiving the reports of the Responsible Officer on the use of resources, systems of internal financial control, and discharge of financial responsibilities.
- 2.13** Informing the DFE or ESFA if it suspects any irregularity affecting resources.

3 Powers and Duties Delegated to the Finance Committee

The Finance Committee shall be responsible for:

- 3.1 **General.** Exercising the powers and duties of the Board of Directors in respect of the financial administration of the Trust, except for those items specifically reserved for the Board of Directors and those delegated to the Executive Principal(s) and other staff.
- 3.2 Reporting on decisions taken under delegated powers to the next meeting of the Board of Directors.
- 3.3 **Budgets/Budgetary control.** Reviewing the annual budget for The Trust prior to the start of each financial year and recommending its acceptance, or otherwise to the Board of Directors.
- 3.4 Considering budgetary control reports on The Trust's financial position at every meeting, taking appropriate action to contain expenditure within the budget and report to the Board of Directors.
- 3.5 Reviewing the virement of sums between budget heads, subject to a limit of £50,000, as approved and authorised by the Executive Principals and Chief Financial Officer, which are to be formally notified to the Finance Committee who shall minute the notification.
- 3.6 Reporting to the Board of Directors all significant financial matters and any actual or potential overspending.
- 3.7 **Purchasing.** Authorising the award of orders and contracts over £50,000 and up to £100,000.
- 3.8 **Insurances.** Ensuring that arrangements for insurance cover are in place and adequate.
- 3.9 **Security of Assets.** Ensuring that there are annual independent checks of assets and the asset register.
- 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 between £500 and £5,000 and reporting such authorisations to the Board of Directors.
- 3.11 **Personnel.** Authorising permanent changes to the Trust's establishment.
- 3.12 **Accounts and Audit.** Reviewing the draft financial statements and highlighting any significant issues to the Members and Board of Directors, prior to submission to the Secretary of State by 31 December.
- 3.13 Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and control. These reports must also be reported the Board of Directors.

4 Financial Powers and Duties Delegated to the Executive Principal(s)

The Executive Principal(s) has/have delegated powers and functions in respect of internal organisation, management and control of the Trust, the implementation of all policies approved by the Board of Directors and for the direction of teaching and the curriculum. The Executive Principal(s) shall be responsible for:

- 4.1 **Budgetary control.** Reviewing income and expenditure reports and highlighting actual or potential overspending to the Finance Committee.

- 4.2 Approving virements between budget headings of up to £50,000 and reporting such approval to the Finance Committee.
- 4.3 **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.
- 4.4 **Purchasing.** Authorising orders and contracts over £10,000 and up to £49,999 in conjunction with the Finance Manager and Strategic Business Leader.
- 4.5 Ensuring that all contracts and agreements conform to the Financial Regulations.
- 4.6 **Payroll and Personnel.** Approving new staff appointments within the authorised establishment.
- 4.7 Certifying the payment of salaries each month, in conjunction with the Chief Financial Officer
- 4.8 **Security of Assets.** Ensuring that proper security is maintained at all times for all buildings, furniture, equipment, vehicles, stocks, stores, cash, information and records etc under his/her control.
- 4.9 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 a £500.
- 4.10 **Accounts and Audit.** The operation of financial processes within the Trust, ensuring that adequate operational controls are in place and that the principles of internal control are maintained.
- 4.11 Ensuring that full, accurate and up to date records are maintained in order to provide financial and statistical information.
- 4.12 Ensuring that all records and documents are available for audit by the appointed external auditors and by the Responsible Officer.

5 **Financial Powers and Duties Delegated to the Chief Financial Officer**

The Chief Financial Officer shall be responsible for:

- 5.1 **Budgets/Budgetary Control.** Preparing a Budget Forecast Return for consideration by the Finance Committee and Board of Directors before the start of the relevant financial year and submit to ESFA.
- 5.2 Monthly monitoring of expenditure and income against the approved budget and submitting reports on the Academy's financial position to every meeting of the Finance Committee. Any actual or potential overspending shall be reported to the Finance Committee.
- 5.3 Approving virements between budget headings up to a value of £10,000 and reporting such approval to the Finance Committee.
- 5.4 **Purchasing.** The Chief Financial Officer cannot authorise any orders. Only the Executive Principal(s) and Heads of School can authorise orders and or contracts as per the Financial Authorisation Levels at section 7.
- 5.6 Retention of quotes obtained for goods, works and services. These are normally scanned as additional information with the successful Purchase Order.

- 5.7** 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/responsible person/s.
- 5.8** Ensuring the appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments.
- 5.9** **Income.** Ensuring that all income is accurately accounted for and is promptly collected and banked intact.
- 5.10** Ensuring that a Debt Policy to include regular reporting arrangements is prepared, agreed and adhered to in relation to all income due to the Trust.
- 5.11** **Banking arrangements.** Maintaining proper records of account and reviewing monthly bank reconciliations.

6 Financial Powers and Duties Delegated to the Deputy Chief Financial Officer/Senior business office administrators/Network Manager

- 6.1** **Information and Communication Systems.** Maintaining the standards of control for such systems in operation within the Trust to include the use of properly licensed software, and for the security and privacy of data in accordance with the General Data Protection Requirement ((GDPR) from May 2017
- 6.2** **Security of Assets.** Maintaining a permanent and continuous register of all items of furniture, equipment, vehicles and plant.
- 6.3** **Insurances.** Notifying the Finance Committee on any eventuality that could affect the Trust's insurance arrangements.
- 6.4** **Payroll and Personnel.** Working with Trust admin staff on any matters affecting payments to employees.
- 6.5** Ensuring that the monthly payroll is checked, and certifying it for payment in conjunction with the Executive Principal(s) and authorised staff.
- 6.6** **Facilities Management (working with Facilities Manager and estates team)** Maintaining a register of formal contracts entered into, amounts paid and certificates of completion.

7 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 Executive Principal(s) and Chief Financial Officer:

- 7.1** **Budgets/Budgetary Control.** Staff appointed as 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 Chief Financial Officer. Any actual or potential overspending shall be reported to the Chief Financial Officer.
- 7.2** **Purchasing.** Appointed Budget Holders cannot authorise any orders. Only the Executive Principals and Heads of School can authorise orders.

7.3 The following members of staff, in addition to the Executive Principal(s) and Chief Financial Officer, are authorised to open tenders in the presence of another authorised person:

- Heads of School

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

- Administrators nominated by the Chief Financial Officer

7.5 Payroll. Only the Executive Principals can authorise time records and authorise overtime

8 Summary of Financial Authorisation Levels

Table 1

Delegated Duty	Value	Delegated Authority	Method
1. Ordering Goods and Services (raising requisitions)	Up to £250	Heads of School/Network Manager	HoS purchase card orders only. Must still be supported by requisition.
	Up to £1,000	Executive Principals	Selection from preferred supplier list unless agreed otherwise with CFO or DCFO
	£1,001-£15,000	Executive Principals	Target three quotes but less at EHT's discretion
	£15,001 to £49,999	Executive Principals	Minimum of three quotes
	£50,000 to £100,000	As above plus Finance Committee	Formal tendering process, including advertising in OJEU (if over the OJEU threshold)
	Over £100,000	Board of Directors	
	Authority to accept other than lowest quotation or tender	Executive Principals (see method)	Acceptable when: a) three approved contractors cannot be found; b) the work is urgent and time constraints mean that written quotations cannot practicably be obtained; c) an Executive Principal (after discussion with the facilities manager) judges it expedient to use a contractor with technical knowledge of local circumstances (such cases should be reported to the Board of Directors.
2. Signatories for cheques, BACS payment authorisations and other bank transfers	Any	Two signatories/authorisors from: <ul style="list-style-type: none">• Executive Principals;• Chief Financial Officer;• Deputy CFO	

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3. Signatories for DFE grant claims and DFE returns	Any	Two signatories (or as required by EFA) from: <ul style="list-style-type: none"> • Executive Principal; • Chief Financial Officer; • Deputy CFO • Nominated Director 	
4. Virement of budget provision between budget heads	Up to £10,000	Chief Financial Officer, with reporting to the Finance Committee	
	£10,001 to £50,000	As above plus Executive Principals, with reporting to the Finance Committee	
	Over £50,000	Board of Directors	
5. Disposal of assets	Up to £5,000	Finance Committee	
	£5001 to £20,000	As above plus Board of Directors	
	Over £20,000	As above, plus ESFA approval required for disposal of assets funded with more than £20,000 of DFE grant, or transferred from an LA at nominal consideration	
6. Write-off of bad debts	To £1,000	Board of Directors	
	Over £1,000	As above plus DFE approval	
7. Purchase or sale of any freehold property	Any	DFE approval required	
8. Granting or take up of any leasehold or tenancy agreement exceeding three years	Any	DFE approval required	
9. Raising invoices to collect income	Up to £5,000	Chief Financial Officer	
	£5,001 to £10,000	As above plus Executive Principal(s)	
	£10,001 to £100,000	As above plus Finance Committee	
	Over £100,000	Board of Directors	

9. Version history

Date	Summary of changes
March 2021	(Approved at Finance Committee 26 th March 2021) <ul style="list-style-type: none"> • A change to the Head of School value on purchase limit from £200 to £250. • A change from £10k to £15k for the level of approval from the Finance Committee.
March 2022	<ul style="list-style-type: none"> • Authorisation added so that network Manager can make purchases up to £250 in the same way that HoS can. This removes a whole level of bureaucracy and will save the Network Manager and Exec Principal up to 10 e-mails a week. Tidied formatting at para 1.1; • Now that PAT runs its own payroll added changes at paragraph 6 to reflect this