



**Astrea Academy Trust**

INSPIRING BEYOND MEASURE

## **Financial Scheme of Delegation 2020/21**

Date	September 2020
Written by	Executive Director of Finance
Adopted by Trust Board	July 2020
Review Date	July 2021, then annually upon publication of the Academies Financial Handbook

## Budgeting and Reporting

Role	Value	Delegated Authority	Method	Review Period
Budget setting process		Education Director and Principal	Agree academy improvement priorities for the next 3 years.	Annual
		Academy Principal and Hub Finance Manager	Draft budget plan for Executive Director of Finance review.	Annual
		Executive Director of Finance	Approve academy budgets to be reviewed by the Executive Board.	
		Astrea Executive Board	Agree budgets by academy and approve submission to the FAB Committee.	Annual
		Finance & Budget Committee	Approve or reject individual academy budgets at the FAB Committee with a recommendation to the Trust Board.	Annual
		Trust Board	Accept or reject the recommendation from the FAB Committee. If the recommendation is rejected by the Trust Board from the FAB Committee then the CEO is to provide a recommendation to the Trust Board of a budget plan for Astrea.	Annual
Budget holders responsibilities	As per the individual budgets set	Principal, School Business Office/Manager and Hub Finance Manager	Budget monitoring is the responsibility of the budget holder with the Hub Finance Manager and the budget must not be overspent at any time during the year unless through prior agreement from the appropriate authorisation level.	Monthly

Monthly Management Accounts		Hub Finance Manager in conjunction with School business/office manager and Principal.	All transactions to be processed and accurately accounted by the academy. Final accounts to be completed by day +5 and then to produce the monthly management accounts with commentary.	Monthly
Monthly Management Accounts		Executive Director of Finance and Head of Trust Finance	Monthly reporting pack to be produced and sent to the CEO and Executive Board. A copy is also to be sent to the Chair of Trustees and all Trustees on the FAB Committee.	Monthly
ESFA Reporting		Accounting Officer in conjunction with Chief Finance Officer, (Astrea Auditors and Financial Consultants at year end statutory accounts).	An annual Financial Reporting Timetable will be released by the ESFA dates and requirements will be included on this timetable of submissions to the ESFA i.e Forecasts and Budget returns.	Yearly
Opening a bank account		Finance & Budget Committee	The EDF is responsible for selecting the banking institution and negotiating terms and conditions. The FAB Committee must authorise the opening of all bank accounts in writing (delegated authority). The Trustees must be informed of any changes in writing. The EDF must ensure that in the event of changes to key personnel or Trustees, signatories will be changed immediately and the bank notified. Online access should also be removed.	As required

## Income

Role	Value	Delegated Authority	Method	Review Period
Collection and receipt of cash and cheques	Any	School Business/Office manager or delegated administration assistant	Cash must be receipted by the person with delegated authority and recorded on the Finance system in a timely manner. All on site cash and cheques must be locked in the safe.	Daily
Banking of cash and cheques	Any	School Business/Office Manager or delegated administration assistant	Cash and cheques should be banked on a weekly basis and should not be allowed to accumulate above £1,000. Banking should be checked and agreed by another member of staff before being banked and should relate back to receipts issued.	As required
Sales invoices	Up to £15,000	School Business/Office Manager	A sales invoice must be raised on the financial system in a timely manner for income due from a third party,	As required
	£15,001 to £30,000	School Principal	Principal to authorise the issuing of sales invoices up to £30,000.	As required
	£30,001 to £50,000	Head of Trust Finance	Head of Trust Finance to authorise the issuing of sales invoices up to £50,000.	As required
	£50,001 to £100,000	Executive Director of Finance	Executive Director of Finance to authorise the issuing of sales invoices up to £100,000.	As required
	Over £100,000	CEO	CEO is required to approve the issuing of sales invoices above £100,000.	As required
Reconciliation of bank accounts		Financial Accountant and Head of Trust Finance	Bank accounts should be fully reconciled on a monthly basis by the Financial Accountant or Assistant Financial Accountant. Bank reconciliations should be checked by the Head of Trust Finance every month.	Monthly

<p>Petty Cash</p>		<p>School Business/Office Manager or delegated administration assistant</p>	<p>No petty cash should be available at Astrea academies.  The use of an electronic payment system is to be encouraged at academies.  Any cash received at the academy from students, parents, staff etc. should be kept in a locked tin and stored in the school safe.  Any monies received should be appropriately accounted for in a timely manner on the finance system</p>	<p>Weekly</p>
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## Purchases and Payments

Role	Value	Delegated Authority	Method	Review Period
Purchase orders and procurement	Up to £10,000	Principal or delegated school staff member Central – Executive Director or delegated central team member	Orders should only be placed with approved suppliers unless agreed otherwise beforehand with Head of Procurement.  Order requisitions should be fully authorised according to the delegated authority limits before order is placed with supplier.	Monthly
	£10,001 to £25,000	Principal Central – Executive Director	A minimum of three quotes must be acquired if it is a new supplier or acquisition.	Monthly
	£25,001 to £50,000	Deputy Director in conjunction with the Head of Trust Finance  Central – Executive Director in conjunction with the Head of Trust Finance	A minimum of three quotes must be acquired if it is a new supplier or acquisition.	Monthly
	£50,001 to £75,000	Executive Director in conjunction with the Executive Director of Finance	A minimum of three quotes must be acquired if it is a new supplier or acquisition.	Monthly
	£75,001 to £100,000	Executive Director in conjunction with the Executive Director of Finance	<a href="#">Formal tendering process (high value)</a> to be undertaken for any new supplier or acquisition	Monthly
	£100,000 to £189,330	CEO	<a href="#">Formal tendering process (high value)</a> to be undertaken for any new supplier or acquisition	Monthly
	£189,330 (supply and service contracts); £663,540 (social and specific services); £4,733,252 (works contracts)	CEO, notified to the Finance & Budget Committee	Formal tendering process to be undertaken according to <a href="#">the OJEU process</a> .	Monthly

Individual invoices/items payment by BACs or faster payments	Up to £50,000	Head of Trust Finance	Individual invoice payments to any supplier or individual to the value of £50,000 or below needs to be authorised by the Head of Trust Finance	As required
Individual invoices/items payment by BACs or faster payments	Over £50,000	Two authorisers from Head of Trust Finance, Executive Director of Finance and another Executive Director	Individual invoice payments to any supplier or individual for a value greater than £50,000 need to be authorised by 2 individuals in the delegated authority column.	As required
Severance payments by BACs or faster payments	Over £49,999	Two signatories required from Executive Directors or CEO and ESFA approval.	Individual payments to any person to the value over £49,999 or above need to be signed by two individuals in the delegated authority column and request authority from the ESFA.	As necessary
Redundancies	Any	CEO to approve all redundancies	Upon completion of the required process, the CEO must be asked to confirm the redundancy.	As necessary

Role	Value	Delegated Authority	Method	Review Period
Credit Card	Individual cards are limited to £1.5k primary schools, £5K secondary schools, £10k Trust Finance	Cardholders as authorised, typically Principal and School Business/Office Manager in schools	<p>Credit cards should only be used for purchases where the standard invoicing method is not available.</p> <p>Credit cards must always be kept on the person of the card holder or in the school safe.</p> <p>All transactions must be supported by a receipt and recorded on the financial system in a timely manner and no later than by the end of the month.</p> <p>Orders should be placed only by the card holder.</p> <p>When a card holder leaves Astrea the Trust Finance Team Leader must be immediately informed and the card must be returned to the card holders immediate line manager who must destroy the card.</p>	Monthly
Standing orders and direct debits		Sign off by two Directors as per banking signatory mandate requirement	No changes can take place to the bank accounts unless signed off by two Directors as per the banking signatory mandate.	As necessary
Ex gratia payments	Any	ESFA approval required	ESFA approval	As necessary
Liabilities and Write-Offs	Up to £1,000	Head of Trust Finance	Proposed write-offs should be sent to the Head of Trust Finance for approval. Relevant approvals will be collated/documentated before journal adjustment in PSF.	Annual
	£1,001 - £10,000	Head of Trust Finance and Executive Director of Finance		
	£10,001 - £45,000	Executive Director of Finance and CEO		
	£45,000 individually; 2.5% of total annual income cumulatively in one category; £250,000 ceiling	Secretary of State (ESFA)		



Role	Value	Delegated Authority	Method	Review Period
Purchase or sale of any freehold property	Any	ESFA approval required		Annual
Granting any leasehold or tenancy agreement	Any	ESFA approval required		Annual
Taking up any leasehold or tenancy agreement for more than seven years	Any	ESFA approval required		Annual
Taking up a finance lease on any class of asset for any duration from another party	Any	ESFA approval required		Annual
Related Party Transactions	£20,000 individually or cumulatively in the financial year	ESFA approval required	See 5.41 of the Academies Financial Handbook 2019. <a href="#">Online form</a> to be used.  NB – the Trust must inform ESFA of <b>all</b> related party transactions prior to their commencement.	Annual

## Wages and Salaries

Role	Value	Delegated Authority	Method	Review Period
Appointment of additional Staff	Up to senior leadership team	Principal and Hub Finance Manager with budget approval from the Executive Board.	Business case to be submitted to Executive board with Finance comments requesting additional staff member.	Annual
	Deputy Principal	Director of Education with Principal, budget approval of Executive Team.	Business case to be submitted to Executive board with Finance comments requesting additional staff member.	Annual
Appointment of replacement Staff	Up to senior leadership team	Principal with budget approval of Hub Finance Manager and Exec. Finance Director.	Business case to Exec Board stating clearly it's a staff replacement with Finance Managers comments.	Annual
	Deputy Principal	Director of Education with Principal, budget approval of Executive Team.	Business case to Exec Board stating clearly it's a staff replacement with Finance Managers comments.	Annual
	Principal	Director of Education and CEO, budget approval of Executive Team.	Discussion at Exec Board with review of current budget.	Annual
Payroll Processing		School Business/Office Manager and Principal	School Business/Office Manager to check monthly payroll (two runs) and make any necessary changes or adjustments. Monthly payroll and any changes must be authorised and signed off by the Principal with a Principal signing off the final payroll report prior to payment.	Monthly

Contracts of employment		School Business Manager and Principal	All employee contracts and variations need to be kept up to-date. Any contract changes need to be authorised by the appropriate authority level as per (Appointment of staff) authority and filed in the staff members file (central record). These contracts will be periodically checked by Central HR and the auditors.	As required
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## Assets

Role	Value	Delegated Authority	Method	Review Period
Capital Asset register	£2,000	Business/Office Manager or on-site ICT staff member and Hub Finance Manager	Any assets to the value of £2,000 individually will need to be recorded in an asset register and depreciated according to the Statutory Accounts.	Monthly and annually
General Assets			Revenue assets also to be recorded in the School PS Asset Manager and clearly recorded.	