



Merchant Taylors' School

Scheme of Financial Delegation

Scheme of Financial Delegation

Author:	Chief Operating Officer
Last Updated:	April 2022
Review Date:	April 2023

1. Statement of intent

This document outlines the delegation of financial powers within Merchant Taylors' School. The School is committed to providing a high standard of education and care, whilst ensuring that value for money, high standards of financial propriety, compliance with the Schools' legal/regulatory responsibilities and efficient use of resources is achieved.

The internal control systems outlined in this document will be implemented at all times with the aim of ensuring that the School acts in an effective and transparent manner. This Scheme of Delegation of Financial Powers has been reviewed and approved by the Board of Governors and will be reviewed and updated on an annual basis.

The Finance Committee is given delegated responsibility on behalf of the Board of Governors for oversight of all financial operations and for ensuring the school's short and long term viability.

2. Legal framework

2.1 This scheme of delegation has due regard to all relevant legislation, statutory guidance and the Schools' governing documents.

2.2 This policy operates in conjunction with the following School policies:

- Gifts, Hospitality and Anti-Bribery Policy
- Procurement Policy

3. Responsibilities of Finance committee

- To ensure the governors fulfil their financial responsibilities and the school is operating within the financial requirements and guidelines set out in law, regulation and the school's governing documents.
- To ensure there are appropriate and sufficiently robust financial controls which are regularly reviewed, monitored and tested.
- To ensure there is an appropriate budgetary and forecasting processes.
- To ensure there is adequate control of financial and physical assets.
- To approve the financial strategy of the School for the Board of Governors to approve.
- To ensure that the Governors' deliberations and decisions are made taking into consideration financial implications and operational risks.
- To review the financial policies of the school and ensure they are fit for purpose.
- To advise, scrutinise and evaluate draft annual budgets for the approval of the Board of Governors.
- To work with the Executive Head (EH) and Chief Operating Officer (COO) to ensure that financial information is both accurate and useful for decision making.
- To ensure management accounts are reviewed regularly, and performance measured against the budget approved by the Board of Governors.
- To formulate for the Board of Governors the investment objectives, risk appetite and Investment policy for approval and then to regularly review and to monitor the performance of the portfolio and the Investment Managers.
- To ensure that the school has anti-bribery and whistle-blowing policies and procedures that are regularly reviewed and known throughout the school.
- To ensure that the school has a financial procedures manual.
- To determine the frequency of tendering for external auditing services.

- To review the independence and performance of the auditors, and advise the Board on any issues arising.
- The EH or COO must notify the governors of any matter that may involve irregularities concerning the school.

4. Financial accounting procedures

- The financial procedures manual should be reviewed each year by the Head of Finance and it should be approved by the COO.
- The COO is responsible for ensuring there are systems and controls within the finance function which are monitored, controlled and audited on a regular basis.
- The COO is responsible for ensuring there are sufficient resources in terms of count and skills to ensure the finance department is able to operate adequately and safeguard the assets of the school.
- The COO is responsible to the board for ensuring compliance with legal and regulatory matters as they apply to finance.
- The Head of Finance is responsible for maintenance of the accounts and accounting records.
- It is the responsibility of the COO to ensure the School has adequate insurance cover.

5. Controls on physical and financial assets

- The schools' property solicitors have custody of all title deeds and a record is kept by the Head of Estates.
- A register of fixed assets, including their location and condition, is held and updated regularly by the Head of Finance.
- All IT assets are security tagged.

6. Controls on Income

- Collection of money due to the school shall only be done so by the systems approved by the Board of Governors as advised by the COO.
- No deduction may be made from any money received by any member of staff for expenses or for any other reason.
- The school's money laundering procedures must always be followed.
- The school's anti bribery procedures must always be adhered to.

7. Debtors

- The COO may, on the recommendation of the Head of Finance write off individual trading debts which do not exceed £10,000 provided the debt is no longer recoverable or the cost to recover is prohibitive.
- All write offs must be reported to the Finance Committee

7. Scholarships and bursaries

- Scholarships and bursaries are awarded against available funding set by the Board of Governors.
- Awarding of bursaries and scholarships is overseen by the EH and the COO.
- The Financial Assistance Policy sets out the criteria for awarding bursaries/scholarships and must be adhered to.

8. Banking arrangements

- Bank accounts may be opened or closed only by approval of the relevant Governors.
- All bank accounts must be managed by solely by the Finance Department and no authority is given to any other employee or department to hold bank accounts for School purposes.
- The signatories for all bank accounts held by the school are managed by the Head of Finance.
- All bank accounts require dual signature administration.

9. Purchase invoices

- Approved Suppliers Invoices
 - Invoices up to the value of £1,000 requires 1 signature
 - For IT & Estates related invoices up to £5,000 requires 1 signature
 - Anything over these value requires a purchase requisition completing.
- Other Invoices
 - Up to the value of £500 requires 1 signature
 - For IT & Estates invoices up to £3,000 requires 1 signature
 - Anything over this value requires a purchase requisition completing.
- Expenses & Barclaycard Purchases
 - All expense forms and Barclaycard purchases require two signatures and must in line with the Procurement policy.
- Purchase requisition signatures (As per section 3.3 of the Procurement Policy)
 - £500 to £1,000 2 signatures buyer - Budget holder/Line Manager
 - £1,001 to £10,000 2 signatures buyer - Head of School/ COO/ Exec Head
 - £10,001 to £50,000 2 signatures buyer - Exec Head or COO
 - £50,001 to £75,000 Approval by Finance Committee
 - +£75,001 Approval by Board of Governors

10. Contracts and tenders

- Staff can only proceed with contracts or tenders if they have prior budgetary approval.
- All tenders and spend should be in line with the Procurement Policy.
- Any order in excess of £1,000 that is outside the annual budget requires written authorisation from EH/COO. With any unbudgeted spend between £10,000 - £50,000 requiring the approval of Finance Committee and anything above this value requires full Board approval.

11. Bacs payments

- For reasons of security and efficiency, Bacs is the preferred method of paying creditors.
- The Purchase Ledger Clerk is responsible for identifying creditors due for payment each week and for preparing the payment batches.
- The Head of Finance is responsible for authorising (by signing) and processing the batch payments and transmitting the data to Bacs.
- Where a Bacs batch contains an item that exceeds the single signatory limit the batch must be signed off by one or more of the additional signatories authorised by the bank mandate.

12. Payment of accounts

- Reimbursements for expenses claims for incidental expenses will be made by Bacs.
- When authorising a supplier's invoice for payment, the member of staff responsible for the expenditure must first be satisfied that the goods and services have been received at the right price and quality etc.
- The member of staff responsible must sign the invoice to indicate it is authorised for payment, apply the appropriate budget expenditure code and pass the invoice to the finance department.
- Payment will only be made against an original invoice.

13. Salaries, wages and pensions

- The payment of all salaries, wages, pensions, PAYE and compensations are made by arrangement of two of the following: Head of Finance; Director of HR and the COO. All require two signatories.

14. Travel and subsistence claims

- Claims for travel, subsistence and other costs must be presented on an official claim form with details of the expenditure supported by receipts and coded, signed and dated by the claimant and authorised by their line manager.
- Expense claims for Governors will be authorised by the Head of Finance who will make any checks deemed necessary.
- Expense claims by EH or the COO will be authorised by the Head of Finance.
- All expense claims will be processed within ten days of receipt of the claim at the school's offices.
- Payment from petty cash is limited to minor items and only with the prior approval of the Head of Finance. Transfers from cash collected into petty cash will only be allowed with the approval of the Head of Finance and one witness.

15. Credit/Purchasing cards

- Credit cards will only be issued to Senior Management with credit limits agreed by Finance Committee. Changes in credit limits must be agreed by the Chair of the Finance Committee.
- The credit cards are authorised to be used only for school business expenditure. Cash is not to be drawn on credit cards.
- Monthly statements must be checked promptly, coded and VAT invoices attached.
- Any query regarding items on the card statement must be pursued promptly.

16. Cash Collections

- Cash collections for charity purposes should be kept to a minimum, but where no other method is available any cash must be banked via Finance, and a pink slip with details of who to donate to should be completed.

17. Trips, Events and Clubs

- Under no circumstances is cash to be accepted for any school trips, events or clubs.
- All monies for trips, clubs and events must be paid via the school Evolve system, and not be collected externally under any circumstances.

18. Nominal Journal Entries

- Each journal must be signed off by a more senior member of staff. E.g. Finance Assistant to be signed by Head of Finance, Head of Finance Journals by COO.

19. Bad Debt Provision

- Bad debts over 90 days old should be provided for at 50% of the outstanding debt.

20. Cash Reserves

- As a charity and following best practise the School will aim to hold enough liquid assets to cover one terms operating costs at all times.