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Financial Scheme of Delegation

Date Approved	January 2025
Date of Next Review	January 2027

Financial Scheme of Delegation

1. Introduction

Purpose

The Financial Scheme of Delegation (FSoD) outlines the framework for decision-making and accountability within Inclusive Education Trust, ensuring compliance with statutory requirements and best practices in financial management.

Scope

This document applies to all schools and entities operated by Inclusive Education Trust, as well as its central operations and traded services.

Compliance

The FSoD is aligned with:

- The Academy Trust Handbook issued by the Education and Skills Funding Agency (ESFA).
- The Articles of Association for Inclusive Education Trust.
- Relevant legislation, including the Charities Act 2011.

2. Principles of Delegation

Key Principles

- Financial accountability is delegated based on roles and responsibilities while ensuring robust oversight.
- Segregation of duties minimises risk of fraud or error.
- All decisions must comply with legal, regulatory, and ethical standards.

Hierarchy of Accountability

1. **Trust Board:** Holds ultimate accountability for the MAT's finances.

2. **Finance Committee:** Provides detailed scrutiny and oversight of financial management.
3. **CEO/Accounting Officer:** Ensures financial compliance and operational efficiency.
4. **CFO:** Manages day-to-day financial operations and reporting.
5. **Local Governing Bodies (LGBs):** Where applicable, provide oversight at the school level for their delegated responsibilities.
6. **Principals/Headteachers:** Responsible for financial decisions within their delegated authority.

3. Roles and Responsibilities

Trust Board

- Approves annual budgets and financial strategy.
- Authorizes significant financial commitments (e.g. capital projects over £50,000), either individually or via the annual budgeting and financial strategy.
- Reviews approval limits annually.
- Recommends external auditors to the members and reviews audit findings annually

Finance Committee

- Reviews budgets, forecasts, and financial performance.
- Recommends budgets to the Trust Board for approval.
- Monitors compliance with the FSoD.

CEO/Accounting Officer

- Ensures the MAT complies with the Academy Trust Handbook.
- Signs off statutory financial statements.
- Oversees value-for-money initiatives.

Chief Financial Officer (CFO)

- Prepares budgets, forecasts, and financial reports.
- Implements internal controls.
- Manages procurement and oversees cash flow.

Local Governing Bodies (LGBs)

- Monitors school-level budgets that have been delegated to them.

Heads of School / Centre

- Manages delegated school budgets. (Curriculum budget)
- Approves purchases and contracts within their authority.
- Ensures compliance with procurement rules.

4. Delegated Authority Limits

Expenditure Approval Limits

Authority Level	Limit (£)
CFO /SBM	Up to 5,000
DoE	5,001 to 25,000
CEO and 1 Trustee (B&F)	25,001 to 50,000
2 Trustees	Over 50,000

Contractual Agreements

- **Up to £10,000:** Principal/Headteacher/CFO/SBM
- **£10,001 - £180,000:** Trust Board (at least 3 trustees) with 3 quotes

- **Above £180,000:** Full Trust Board approval with 3 quotes

Banking and Payments

- **Single payments under £10,000:** Authorised by the SBM and approved by CEO and DoE
- **Payments over £10,000:** Dual authorisation by the CFO and SBM approved by CEO and DoE
- **Cheque/BACS authorisation:** As per bank mandate and approved by CEO and DoE

Virement (Budget Adjustments)

- **Up to £50,000:** CFO and CEO seek approval from Business and Finance committee
- **£50,001+:** CEO and Business and Finance committee

Staffing Decisions

Action	Approval Required
Recruitment of staff	CEO
New roles (unbudgeted)	Finance Committee approval (Decision tree)
Severance payments	Trust Board approval

5. Budgeting and Financial Planning

Annual Budget Cycle

- **Preparation:** HoS / C and DoE recommend staffing budget with the support of the CFO / CEO. All other budgets recommended by DoE / CEO / CFO
- **Review:** CFO consolidates and reviews budgets.
- **Approval:** Finance Committee recommends the consolidated budget for Trust Board approval.
- **Submission:** Final budget submitted to the ESFA by the statutory deadline.

Medium-Term Financial Planning

- CFO / CEO develops a three-year financial strategy for sustainability.
- Reviewed annually by the Finance Committee and approved by the Trust Board.

6. Financial Monitoring and Reporting

Monthly Reports

- Management accounts produced monthly by the CFO.
- Variance reports highlight significant deviations from budgets.
- Shared with the Finance Committee and Trust Board at each meeting.

Audit and Compliance

- Internal audits conducted periodically.
- External audits performed annually, with findings reviewed by the Trust Board.

7. Procurement and Value for Money

Procurement Thresholds

Purchase Value	Requirement
Below £10,000	Three quotes where practicable
£10,000 - £179,000	Three quotes
Over £180,000	Formal tendering process

Conflict of Interest

- All staff and trustees must declare conflicts of interest annually.
- No involvement in decisions where a conflict exists.

8. Risk Management and Reserves**Risk Assessment**

- CEO maintains a risk register, reviewed termly by the Finance Committee.
- Financial risks and mitigation plans are reported to the Trust Board.

Reserves Policy

- Minimum reserves target of 5% to ensure financial stability.
- Use of reserves requires Trust Board approval.

9. Review and Updates

- The FSoD is reviewed annually by the Finance Committee.
- Amendments require Trust Board approval.