**Financial Scheme of Delegation**

## agenda_Agenda BG

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| --- | --- |
| **Person Responsible for Policy** |  |
| **Date Approved by Directors** |  |
| **Date of Current Review:** | January 2017 |
| **Next Review Due:** |  |

1 Powers and Duties Reserved for the Board of Directors

2 Powers and Duties Delegated to the Chief Executive

3 Financial Powers and Duties Delegated to the Chief Operating Office / Business Director

4 Financial Powers and Duties Delegated to Senior Managers & Other Staff

5 Summary of Financial Authorisation Levels

**1 Powers and Duties Reserved for the Board of Directors**

The Board of Directors shall be responsible for:

**General**

**1.1** Approval of a written scheme of delegation of its financial powers and duties to the Chief Executive, Chief Operating Officer, Senior Managers and other staff. The scheme must satisfy the Board of Director’s ultimate responsibility for ensuring that there are adequate operational controls in place for all the financial processes within Learn Sheffield. The Scheme of Delegation should be operated in conjunction with the Financial Regulations of Learn Sheffield.

**Budgets/Budgetary Control**

**1.2** Formally reviewing and approving the annual budget prior to the start of each financial year.

**1.3** Considering budgetary control reports from the Chief Operating Officer at every meeting, with relevant explanations and documentation where required, taking appropriate action to contain expenditure within the budget.

**1.4** Authorisation of all changes to the forecast surplus/deficit in excess of £50,000, including virement amounts.

**Purchasing**

**1.5** Maintenance of a Register of Business Interests for all Directors and staff with financial responsibilities.

**1.6** Authorising the award of orders and contracts over £50,000 and up to £144,000. Authorising of the advertising of tenders above £144,000, and authorising the award of such tenders.

**1.7** 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.

**Income**

**1.8** Authorisation of the write off of debts not collectable over £5,000

**Insurances**

**1.9** Ensuring that arrangements for insurance cover are in place and adequate.

**Security of Assets**

**1.10** Ensuring that there are annual independent checks of assets and the asset register.

**1.11** 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 £10,000.

**Accounts and Audit**

**1.12** The Board of Directors will:

* Appoint external auditors.
* Review the draft financial statements prior to audit and approval of the audited financial statements prior to submission to Companies House.
* Receive the reports of the external auditor.

**1.13** Take advice from external auditors on an appropriate course of action if it suspects any irregularity affecting resources.

**Personnel**

**1.14** The Board of Directors shall appoint the Chief Executive.

**1.15** The Chief Executive’s performance review group, which must include representatives from the Board of Directors, may make a decision to suspend the Chief Executive after taking advice from HR advisors.

**1.16** The full board must be consulted prior to any possibility of the dismissal of the Chief Executive. After taking into account the views of all directors the Chief Executive’s performance review group will make the decision to dismiss the Chief Executive.

**1.17** Directors assisted by the Chief Executive shall appoint all senior staff reporting to the Chief Executive.

**2 Financial Powers and Duties Delegated to the Chief Executive**

The Chief Executive has delegated powers and functions in respect of internal organisation, management and control of Learn Sheffield, the implementation of all policies approved by the Board of Directors and for the direction of the company.

The Chief Executive shall be responsible for:

**Budgetary control**

**2.1** Reviewing income and expenditure reports and highlighting actual or potential overspending to the Board of Directors.

**2.2** Approving virements between budget headings, with the Chief Operating Officer up to £50,000 which have no effect on the forecast budget surplus/deficit and reporting such approval to the Board of Directors.

**Financial Management**

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

**Purchasing**

**2.4** Authorising orders and contracts up to £50,000 in conjunction with the Chief Operating Officer. Orders over this amount will be only be made following approval from the Board of Directors.

**2.5** Ensuring that all contracts and agreements conform to the Financial Regulations.

**Payroll and Personnel**

**2.6** Approving new staff appointments within the authorised establishment.

**2.7** Certifying the payment of salaries each month, in conjunction with the Chief Operating Officer.

**Security of Assets**

**2.8** 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.

**Accounts and Audit**

**2.9** The operation of financial processes within Learn Sheffield, ensuring that adequate operational controls are in place and that the principles of internal control are maintained.

**2.10** Ensuring that full, accurate and up to date records are maintained in order to provide financial and statistical information.

**2.11** Ensuring that all records and documents are available for audit by the appointed external auditors and other authorised regulatory bodies.

**Personnel**

**2.12** Authorising permanent changes to Learn Sheffield’s establishment except for those posts specifically delegated to the Board of Directors.

**3 Financial Powers and Duties Delegated to the Chief Operating Officer**

The Chief Operating Officer shall be responsible for:

**Budgets/Budgetary Control**

**3.1** Preparing an annual draft budget plan for consideration by the Board of Directors before the start of the relevant financial year.

**3.2** Monthly monitoring of expenditure and income against the approved budget and submitting reports on Learn Sheffield’s financial position to every meeting of the Board of Directors. Any actual or potential overspending shall be reported to the Board of Directors.

**3.3** Approving virements between budget headings of under £25,000 which have no effect on the forecast budget surplus/deficit and reporting such approval to the Board of Directors.

**Purchasing**

**3.4** Authorising orders and contracts up to £25,000 in conjunction with senior managers.

**3.5** Maintaining a register of formal contracts entered into, amounts paid and certificates of completion.

**3.6** Retention of quotes obtained for goods, works and services.

**3.7** 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 persons.

**3.8** Ensuring the appropriate division of duties between staff responsible for processing orders, receiving deliveries and processing payments.

**Payroll and Personnel**

**3.9** Ensuring that the monthly payroll is checked, and certifying it for payment in conjunction with the Chief Executive or other senior managers.

**Income**

**3.10** Ensuring that all income is accurately accounted for and is promptly collected and banked intact.

**3.11** Authorisation of the write off of debts not collectable below £1,000.

**Banking Arrangements**

**3.12** Maintaining proper records of account and reviewing monthly bank reconciliations.

**Insurances**

**3.13** Notifying the Board of Directors on any eventuality that could affect the Learn Sheffield’s insurance arrangements.

**Security of Assets**

**3.14** Maintaining a permanent and continuous register of all items of furniture, equipment, vehicles and plant.

**Information and Communication Systems**

**3.15** Maintaining the standards of control for such systems in operation within Learn Sheffield to include the use of properly licensed software, and for the security and privacy of data in accordance with the Data Protection Act.

**4 Financial Powers and Duties Delegated to Senior Managers & 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 Chief Executive and the Chief Operating Officer.

**Budgets/Budgetary Control**

**4.1** Senior managers 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 Operating Officer. Any actual or potential overspending shall also be reported to the Chief Operating Officer.

**Purchasing**

**4.2** Senior managers can authorise orders up to £10,000, provided it is within the scope and remaining balance of their delegated budget.

**4.3** The following members of staff are authorised to open tenders in the presence of another authorised person:

* Chief Executive
* Chief Operating Officer
* Senior manager

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

* Budget Holders
* Administrators nominated by the Budget Holder

**Payroll**

**4.5** Senior managers can authorise time records and authorise overtime within their delegated budget.

**5 Summary of Financial Authorisation Levels**

|  |  |  |  |
| --- | --- | --- | --- |
| **Delegated Duty** | **Value** | **Delegated Authority** | **Method** |
| Ordering Goods and Services (raising requisitions) | Up to - £10,000 | Senior manager | Selection from preferred supplier list unless agreed otherwise with Chief Operating Officer. 2 quotes are preferred. |
| £10,001 - £25,000 | Chief Operating Officer | Minimum of three written estimates / quotations. |
| £25,001 - £50,000 | Chief Executive | Minimum of three written quotations |
| £50,001 - £144,000 | Board of Directors | Minimum of three written quotations |
| Over £144,000 | Board of Directors | Formal tendering process, including advertising in OJEU |
| Authority to accept other than lowest quotation or tender | Board of Directors |  |
| Signatories for cheques, BACS payment authorisations and other bank transfers | Any | Two signatories from:   * Chief Executive * Chief Operating Officer * Other agreed signatories |  |
| Virement of budget | Up to £25,000 with no impact on overall budget | Chief Operating Officer |  |
| Up to £50,000 with no impact on overall budget | Chief Executive |  |
| Up to £50,000 with impact on overall budget | Chief Executive reporting to Board of Directors |  |
| Over £50,000 with impact on overall budget | Board of Directors |  |
| Write-off of bad debts | Up to £1,000 | Chief Operating Officer |  |
| £1,001 to £2,000 | Chief Executive, reporting to the Board of Directors |  |
| Over £2,000 | Board of Directors |  |
| Purchase or sale of any freehold property | Any | Board of Directors |  |
| Granting or take up of any leasehold or tenancy agreement exceeding three years | Any | Board of Directors |  |
| Raising invoices to collect income | Up to £25,000 | Chief Operating Officer |  |
| Over £25,000 | As above plus Chief Executive |  |