



Thornhill Community Academy Trust

Scheme of Delegation

The Financial Powers and Duties of the Governing Body

Thornhill Community Academy is governed by a Governing Body constituted under a Memorandum of Association and Articles of Association.

The Scheme of Delegation should be operated in conjunction with the financial regulations of the Academy as detailed in the Financial Handbook.

The Governing Body is responsible for ensuring that high standards of corporate governance are maintained as detailed in 'Guidance on Codes of Practice for Board Members of Public Bodies' and in line with the seven principles of public life:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

The Governing Body should exercise its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the Academy:

- Setting the Academy's standards of conduct and values
- Policy development and strategic planning
- Ensuring sound management and administration
- Compliance with legal requirements
- Establishing and maintaining a transparent system of prudent and effective internal controls
- Ensuring accurate accounting records are maintained
- Entering in to contracts (both commercial and employment) on the Academy's behalf
- Management of the Academy's financial, human and other resources
- Help the Academy be responsive to the needs of parents and the community
- Monitoring performance and the achievement of objectives

- Assessing and managing risk

Specific areas which the Governing Body will oversee include:

- Appointment of the Headteacher, the Director of Finance and the Secretary
- The review of the Headteacher's performance appraisal and salary
- Approval of the Academy's Improvement Plan
- Approving policies developed by committees
- Appointment of External Auditors
- Maintenance of a Register of Business Interests for all Governors and those Academy staff with financial responsibilities
- Recommending Academy budget for approval
- Approval of the annual report and accounts
- Ensuring that the relevant statutory documents (such as annual returns, change of director forms, accounts) are delivered to Companies House in a timely manner. Annual returns and accounts are also required to be filed with the Charity Commission.
- Appointing a Responsible Officer and receiving their reports on the use of resources, systems of internal financial control and discharge of financial responsibilities
- Approval of changes to the personnel establishment
- Determining employees terms and conditions
- Decisions involving controversial, significant or unusual direction
- Informing the DfE if it suspects any irregularity affecting resources

In addition, there are Company Law duties arising from legislation and common law. Seven key duties that Directors owe to the Company are:

- To act within their powers as set out in the Company's Articles;
- To promote the success of the Company in terms of the long term consequences of their decisions; the interests of the Company's employees; the Company's relationships with suppliers, customers etc.; the interests of the community and the environment; the reputation of the Company; and acting fairly between members.
- To exercise independent judgment
- To exercise reasonable care, skill, diligence and prudence
- To avoid conflicts of interest
- To not accept benefits from third parties; and
- To declare their interests in any proposed transaction or arrangement with the Company.

The Financial Powers and Duties of the Headteacher

The Headteacher has overall executive responsibility for the Academy:

- Responsibility for the internal organisation of the Academy
- Management and control of the Academy
- Planning and conducting the affairs of the Academy to remain solvent
- Establishing proper financial management arrangements and maintaining a sound system of internal controls.
- Ensuring that funding from the DfE and any other sources is used only in accordance with the conditions attached to that funding.
- The implementation of all policies approved by the Governing Body
- The direction of teaching and the curriculum

The Headteacher has specific responsibility for:

- Approving new staff appointments
- Authorising orders, contracts and payments within the approval limits shown in the Academy's Financial Handbook
- Monitoring regular budget reports and acting on any overspends or risks
- The review of the Finance Director's performance appraisal

The Headteacher is appointed as the Accounting Officer who is personally responsible to the Governing Body for:

- Ensuring regularity and propriety
- Prudent and economic administration
- Avoidance of waste and extravagance
- Efficient and effective use of available resources; and
- The day to day organisation, staffing and management of the Academy

The Accounting Officer has the duty to take action if the governing body or Chairman is contemplating a course of action, which he or she considers an infringement of propriety or regularity. Objections should be put in writing to the Governing Body, details sent to the Permanent Secretary and the Academy's external auditors.

The Chair of the Governing Body

- The Chair of the Governing Body is the 'servant leader' of the Governing Body. The Chair is responsible for ensuring on behalf of the governors that the business of the Governing Body is appropriately organised by the Secretary and for acting as the communication link between the governors and the Headteacher. He/she will meet regularly with the Headteacher between governing body meetings. The Chair of the Governing Body will be a member of the Trust.

- The Chair has particular responsibility for providing effective strategic leadership on such matters as formulating the governing body's strategy for executing its duties; encouraging high standards of propriety; promoting efficient and effective use of resources including staff; ensuring that decision making takes account of Governance Documents and ministerial guidance; representing the view of the governing body to the general public; and providing an assessment of the performance of individual governors on request e.g. when they are being considered for reappointment to the governing body.
- The Chair should ensure that the Governing Body:
 - meets at least termly
 - that arrangements are in place for the agenda and papers to be issued a week before the meeting
 - that the minutes of the meetings are accurately recorded, including decisions taken, and actions agreed and, where appropriate, the views of individual board members
 - that agreed actions are included in the agenda of the next meeting
 - that minutes are put before the Governing Body for approval.
- The Chair should ensure that all members of the Governing Body, when taking up office, receive an induction in governance and Academy Finance, normally delivered by the Secretary / Finance Director. The Chair should also ensure that all Governors are supplied with copies of key Governance Documents as part of their induction.

Chair's Action

- On occasions it will be necessary for the Chair to act on behalf of the Governing Body between scheduled meetings. These are occasions when issues arise that should be placed before the governing body but the next scheduled meeting is too distant and it is not considered appropriate to call a special meeting.
- In such circumstances the governing body delegates to the Chair authority to take action on its behalf, after taking advice from the Headteacher and/or the Secretary if this is appropriate, provided that such a course of action is not contrary to the Funding Agreement, the Memorandum and Articles of Association or other regulations.
- The view of the Chair of the Finance Committee will also be sought, if appropriate, before a Chair's Action is undertaken.
- Any Chair's Action shall be reported to the next scheduled meeting of the governing body.

Committees

- Any committees or working groups established will have clear terms of reference, setting out their responsibilities to the Governing Body. If they are given delegated powers, these will be explicitly stated.
- Membership of committees or working groups will be annually approved by the Governing Body. Membership of the committee may include persons who are not governors, providing that a majority of the members are governors.
- The position of Chair of a committee or working group will be approved by the Governing Body. In the event of a vacancy arising for the Chair of a committee or working group, nominations will be sought from among the current governors. The Headteacher and Staff Member will not be eligible to be appointed as Chair of a committee or working group.
- In the absence of the Chair or Secretary the committee will elect a replacement for the meeting. The Headteacher will not be eligible to chair or clerk a meeting.

Meeting papers

- In the preparation of meeting papers, authors should be mindful of the Governing Body's strategic role and responsibilities. Reports should be driven by outcomes and provide assurance on progress towards strategic objectives and targets. They should be written at executive summary level, with context given to the subject matter of the report where required and restatement of relevant key performance indicators, targets, and local and college benchmark data to enable strategic level monitoring of progress. An executive summary, together with expected outcomes and relevant supplementary information, should provide Governors with the information necessary to fulfil their strategic responsibilities.
- It will be the responsibility of Governors to “constructively challenge and contribute to the development of strategy” and “scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance”, satisfying themselves “that financial information is accurate and that financial controls and systems of risk management are robust and defensible”.

Statements made on behalf of the Governing Body

- Unless otherwise agreed by the Governing Body to meet the needs of specific circumstances, statements on behalf of the Governing Body will only be made by the following:

- The Chair of the Governing Body
 - The Headteacher
 - The Secretary to the Governing Body
- It is recognised that the majority of items which require public statement concern the strategic management and day-to-day operation of the Academy and thus are dealt with by the Headteacher.
 - Members should exercise care in responding to correspondence and avoid implying that they speak on behalf of the Academy or Governing Body, except when specifically authorised. Advice should be sought from the Secretary, the Chair or the Headteacher in such circumstances.

The Role of the Responsible Officer

The Governing Body will appoint a Responsible Officer to have specific responsibility for overseeing the financial arrangements on their behalf.

The Responsible Officer will provide an independent oversight of the academy's financial affairs. The main duties of the Responsible Officer are to provide the governing body with on-going independent assurance that:

- the financial responsibilities of the governing body are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained; and
- financial considerations are fully taken into account in reaching decisions.

The Responsible Officer should be a governor (but not the chairman or a governor employed by the Academy), or an appropriately qualified and experienced individual not on the academy staff, with the necessary financial interest and skills to be able to perform the role competently. A recognised professional qualification is not necessary. The person selected must be able to show that the responsibilities being undertaken are fully understood and the importance of the role is fully recognised. The Responsible Officer should have sufficient understanding to recognise any irregularities which may arise and sufficient authority to ensure they are addressed. The governing body should consider carefully who would make the most appropriate Responsible Officer and can engage a firm of auditors to aid the Responsible Officer in this function.

The Responsible Officer function could be carried out by an individual or body associated with a governor – for example a business governor may arrange for his/her company's internal auditors to carry out the reviews and provide him / her (on behalf of the governors) with reports.

The Responsible Officer is not expected to carry out the detailed accounting work personally, but will be required to check some transactions to ensure that the correct procedures have been followed. The general areas for review should cover the following:

- Review that bank reconciliations have been carried out each month, including a review of validity of reconciling items;
- Review of the monthly payroll to ensure that any changes have been appropriately authorised;
- Check of a sample of orders to delivery notes and invoices to ensure that the documentation is complete and has been appropriately checked and authorised;
- Check of a sample of payments back to invoices, orders and delivery notes to confirm they are bona fide purchases;
- Review of a sample of expense claims to ensure there is appropriate documentation to support the claim and that the claim is appropriately authorised;
- Review the returns to the approved government department or agency to ensure the information supplied is consistent with the underlying accounting records and internal management reports;
- Carry out spot checks of petty cash balances and supporting vouchers
- Review all major contracts and ensure formal tendering procedures exist and are being adhered to.

The Responsible Officer will undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the governing body. A report of the findings from each visit will be presented to the Finance, Premises and Staffing Committee.

Written records of the checks performed by the Responsible Officer should be maintained.