

MOSAIC SCHOOLS LEARNING TRUST



MOSAIC

SCHOOLS LEARNING TRUST

GOVERNANCE STRUCTURE AND SCHEME OF FINANCIAL DELEGATION

All schools in Mosaic Schools Learning Trust are committed to safeguarding and promoting the welfare of children and young people and expect all staff and volunteers to share this commitment.

Staff Responsible:

Director of Finance & Operations

Approved by:

Board of Trustees

Date of Review:

June 2024

Date of Next Review:

June 2026

VERSION CONTROL

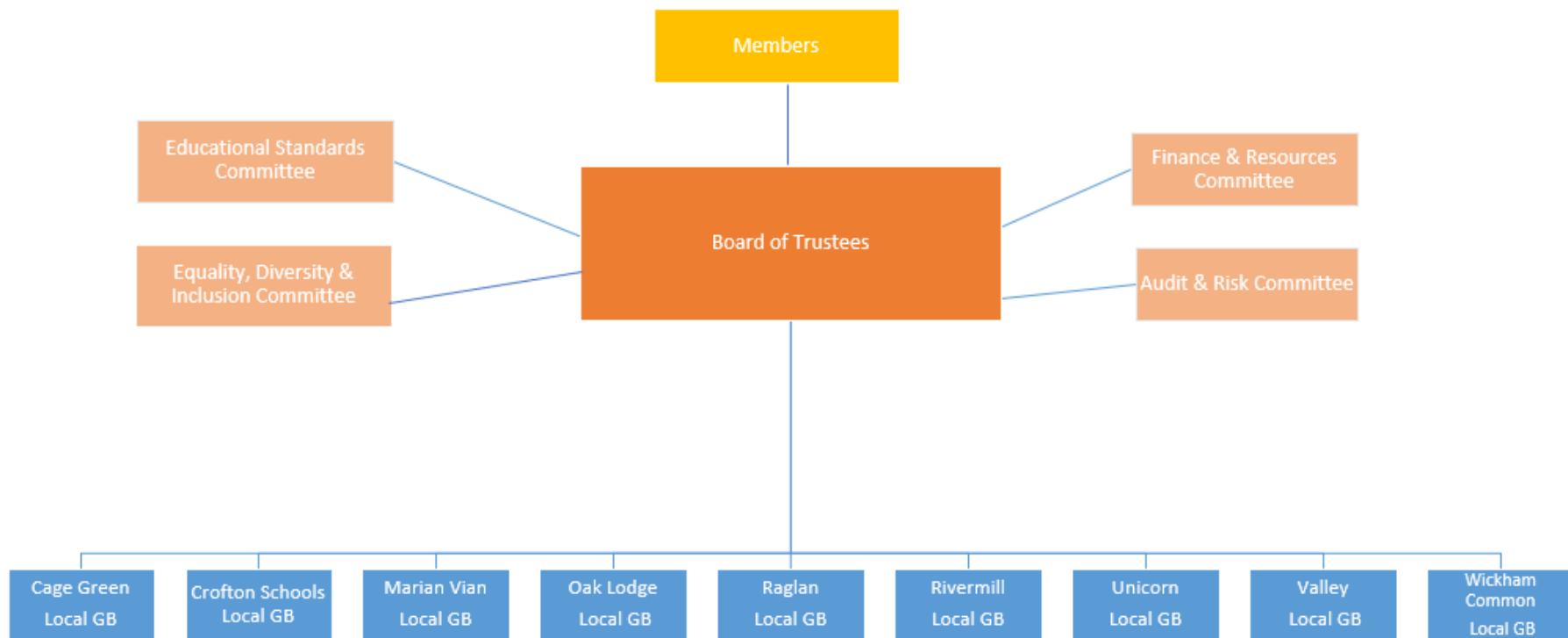
Date	Change
September 2024	Mosaic Policy based on CAT policy and amended to reflect changes in governance & staffing structures and new ways of working as a merged entity.

MOSAIC SCHOOLS LEARNING TRUST

GOVERNANCE STRUCTURE AND SCHEME OF FINANCIAL DELEGATION

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1. Mosaic Schools Learning Trust Governance Structure



2. Financial Powers and Duties Reserved for the Members

- Approval of the appointment of external auditors, issue of the formal letter of engagement as recommended by the Audit & Risk Committee and authorise the board to agree remuneration.
- Approval of the audited financial statements recommended by the board prior to submission to the ESFA by 31 December.

3. Financial Powers and Duties Reserved for the Board of Trustees

The Board of Trustees has wide responsibilities under statute, regulations and the Funding Agreement. It is specifically responsible for ensuring that the Trust's funds are used only in accordance with the law, the Board's powers under the Funding Agreement, Articles of Association and the Academy Trust Handbook. The Board of Trustees shall be responsible for:

- Ensuring Trustees are aware of their statutory duties as company directors as set out in sections 170 to 177 of the Companies Act 2006.
- Approval of a written Scheme of Delegation of the financial powers and duties delegated to its Committees including the Finance & Resources Committee, Audit & Risk Committee, Local Governing Bodies, Accounting Officer, Chief Executive Officer, Head Teachers, Director of Finance & Operations and other staff. The scheme must satisfy the Board's ultimate responsibility for ensuring that there are adequate operational and financial controls in place for all the financial processes within the Trust.
- Ensuring value for money through economy, efficiency and effectiveness over its use of the trust's funds.
- Appointing a suitably qualified Chief Executive Officer as the Academy Trust's Accounting Officer.
- Appointing a suitable qualified and/or experienced Chief Financial Officer.
- Establishing an Audit & Risk Committee as required by the Academy Trust Handbook section 3.6.
- Formally approving a balanced budget within the timescales required by the ESFA.
- Ensuring the Academy Trust has adequate insurance cover in compliance with its legal obligations or has opted into the academies risk protection arrangements (and arranged separate cover for risks not provided by the RPA).
- Approval of the Academy Trust's financial policies as recommended by the Finance & Resources and Audit & Risk Committees.
- Considering budgetary control reports from the Finance & Resources and Audit & Risk Committees at Board meetings, with relevant explanations and documentation where required.
- Ensuring that professional advice is sought where appropriate, in relation to complex financial transactions.
- Review and approve proposed contract awards in accordance with Scheme of Delegation.

4. Powers and Duties Delegated to the Finance & Resources and Audit & Risk Committees

The Finance & Resources Committee shall be responsible for:

- Exercising the powers and duties of the Board of Trustees in respect of the financial administration of the Trust, except for those items specifically reserved for the Board of Trustees and those delegated to the CEO, DFO, Head Teachers and other staff.
- To develop, review and recommend relevant financial and accounting policies to the Board for approval in accordance with Financial Regulations.
- To consider and recommend to the Board proposals by the CEO for changes to staff structures and/or service delivery arrangements that are outside the limits delegated to the CEO.
- To consider the Trust's general annual grant funding, notified annually by the ESFA, and to assess its implications for the academies in advance of the financial year, drawing any matters of significance or concern to the attention of the Board.
- To scrutinise, consider and recommend acceptance of a balanced budget for the schools and central team by the stipulated deadline to enable budgets to be considered by the Trustees and to be submitted to the ESFA as required by the Funding Agreements.
- Assisting the Trustees in complying with the provisions of the Funding Agreements where requested from time to time.
- To ensure that the Trust completes all financial returns required by the ESFA in accordance with the published guidance and deadlines.
- To monitor and review income and expenditure on a regular basis in line with the final approved budget, reporting exceptions to the board. To ensure compliance with the overall financial plan for the Trust, and in line with the Academy Trust Handbook, drawing any matters of concern to the attention of the Board. As part of this the committee will:
 - i. Monitor and review ongoing service level agreements and contracts in accordance with the Scheme of Delegation;
 - ii. Review and approve proposed contract awards in accordance with Scheme of Delegation;
 - iii. Approve additional expenditure not included in the approved budget in accordance with the Scheme of Delegation;
 - iv. Ensure the principles of best value are followed when making decisions;
 - v. Monitor statistics, performance indicators, benchmarking data and other non-financial data affecting the budget, directing action as appropriate;
 - vi. Monitor capital expenditure and take appropriate steps in the event of possible over or under spending.
 - vii. Monitoring the Trust and school's cash flow in accordance with policies determined by the Trustees. Under no circumstances has the Finance & Resources Committee the authority to borrow money.
 - viii. Observing the financial authorisation levels detailed within the Scheme of Delegation.

- Ensuring that all the Trust's property is under the control of the Trustees, and that measures are in place to prevent losses or misuse, including maintenance of adequate fixed asset registers.
- To co-ordinate the preparation of the Trustees' Report and approve the financial statements to form part of the annual report of the governing body (Trust Board) in accordance with the Academies Accounts Direction for filing in accordance with the Companies Act and Charity Commission requirements.
- Reviewing the draft financial statements and highlighting any significant issues to the Board, prior to their approval and submission to the ESFA.
- Ensuring satisfactory arrangements are in place to promote the economical, efficient and effective management of all the Trust's resources.

Reporting

- The Finance & Resources Committee will report to the Board after each meeting held. A copy of the Finance & Resources Committee minutes would normally suffice.

The Audit & Risk Committee shall be responsible for:

- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures including the Scheme of Delegation, bank mandate and separation of duties and where appropriate make recommendations for improvement.
- - Ensuring all financial documents and information required to be published on the school website are up to date and available in appropriate formats.
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 - Reviewing the Internal Audit reports on the effectiveness of the financial procedures and controls and recommending improved processes where appropriate.

Risk Management & Internal Scrutiny

- Gaining assurance that the Trust's risk management, control and governance arrangements are adequate and effective.
- Monitoring, implementation and maintenance of the Trust's risk management strategy which comprises of risk management at Trust and individual school level.
- Reviewing the effectiveness of the institution's systems of internal control and advising the Board accordingly.

Internal Audit

- Considering and advising the Board on the appointment and terms of engagement and work plan of the internal audit service.
- Considering and advising the Board on the internal audit services risk assessment strategy.
- Considering the major findings of internal audit investigations and management responses.
- Promoting and securing appropriate co-ordination between the internal audit and external auditors.

- Advising the Board on the internal audit plan and progress against it.
- Monitoring the implementation of audit-based recommendations.
- Advising the Board on whether it should approve the internal audit report.
- Considering the adequacy of resources for the internal audit service.

External Audit

- Advising the Trust board on the appointment of the external auditors.
- Monitoring the effectiveness and performance of the external auditors through appropriate performance indicators.
- Reviewing the nature and scope of the external audit strategy and plan.
- Reviewing the annual external audit interim systems report, management letter and the financial statements.

Reporting

- The Audit & Risk Committee will report to the Board after each meeting held. A copy of the Audit & Risk Committee minutes would normally suffice.

5. Financial Powers and Duties Delegated to the Chief Executive Officer and Accounting Officer

The Chief Executive Officer has delegated powers and functions in respect of internal organisation, management and control of the Trust, the implementation of all policies approved by the Board and for the direction of teaching and the curriculum.

The Accounting Officer is personally responsible to Parliament, and to the Accounting Officer in the ESFA, for the resources under their control, and must be able to assure Parliament and the public of high standards of probity in the management of public funds.

The Accounting Officer shall be responsible for:

- Assuring the Board that there is compliance with the Academy Trust Handbook, the Funding Agreement and all relevant aspects of company and charitable law.
- Achieving value for money to deliver the best possible educational and wider societal outcomes of all the resources in the trust's charge.
- Ensuring the maintenance of proper financial records and accounts and for the management of opportunities and risks.
- Advising the Board in writing if, at any time, in his/her opinion, any action or policy under consideration by them is incompatible with the terms of the Handbook or Funding Agreement.
- Advising the Board in writing if the Board appears to be failing to act where required to do so by the terms or conditions of the Handbook or Funding Agreement.
- Advising the ESFA's Accounting Officer in writing, if despite providing advice the Board is minded to proceed, the Accounting Officer still considers that any action proposed by the Board to be in breach of the Handbook or ESFA guidance.

- Completing the Accounting Officer's annual statement on regularity, propriety and compliance for inclusion into the Trust's Annual Report, in the format specified within the ESFA's Academies Accounts Direction.
- Demonstrating how the Trust has secured value for money via the governance statement in the audited accounts.
- Observing the financial authorisation levels detailed within the Financial Scheme of Delegation.
- Ensuring all ESFA submissions are actioned within required timelines.

6. Financial Powers and Duties Delegated to the Director of Finance & Operations

The Director of Finance & Operations shall be responsible for:

- Delivery of the Trust's detailed accounting processes and applying discipline in financial management.
- Providing technical advice in relation to the financial aspects of the Trust.
- Preparing an annual draft budget plan in liaison with the CEO, Finance Managers and Head Teachers for consideration by the Finance & Resources Committee and the Board in line with ESFA timelines.
- Preparation of timely monthly management accounts including income and expenditure reports on a cash and accruals basis, balance sheet items, cash flow forecasts, budget forecasts and key financial performance indicators as appropriate.
- Submitting reports on the Trust's academies' financial position to every meeting of the Finance & Resources Committee.
- Providing a point of liaison with the Trust's auditors to assist with the preparation of the annual financial statements.
- Providing a point of liaison to assist the work of the Internal Audit service and external auditor.
- Observing the financial authorisation levels detailed within the Financial Scheme of Delegation.
- Management of the Trust's non-educational support services
- Ensuring statutory returns are completed and submitted in compliance with regulatory requirements including those set by the DfE, ESFA and HSE.
- Working with relevant stakeholders to identify and deliver increased integration of support services.
- Monitoring contracts registers across the schools and lead on procurement of Trust wide contracts for greater efficiencies and consistency.

7. Financial Powers and Duties Delegated to Local Governing Bodies

The Local Governing Body is a committee of the main Board of the Trust. Each Academy has its own Local Governing Body, established by the Board in accordance with the Trust's Articles and will be subject to the Scheme of Delegation and Terms of Reference which will detail the responsibilities of the Local Governing Body and its relationship with the main Board.

The Local Governing Body will be responsible for:

- Monitoring the allocation and reviewing the impact of ring-fenced grants such as Pupil Premium and Sports Grant.
- Reviewing the school's risk register on a termly basis, monitoring mitigating actions and residual risk.

8. Financial Powers and Duties Delegated to Head of Finance and Finance Managers

The Finance Managers will be responsible for:

- Observing the financial authorisation levels detailed within the Financial Scheme of Delegation.
- Ensuring processes detailed in the Trust's Local Financial Procedures Manual are adhered to.
- 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.
- Ensuring that cash is managed appropriately, bank accounts do not go overdrawn and bank and control accounts are reconciled monthly.
- Ensuring that the monthly payroll is checked, and certified for payment in accordance with Financial Regulations for each school and the Trust.
- Ensuring registers of formal contracts entered into are maintained across the Trust for benchmarking and practises of best value.
- Ensuring permanent and continuous registers of all fixed asset items of furniture, equipment, vehicles and plant are maintained within each school and centrally.
- Ensuring that full, accurate and up to date records are maintained in order to provide financial and statistical information.
- Ensuring that all financial records and documents, including quotes obtained for goods, works and services are retained securely for the required retention periods.
- Maintaining the standards of control for such systems in operation within the Trust to include the use of properly licensed software, and for the security and privacy of data in accordance with the Data Protection Policy.

9. Summary of Financial Authorisation Levels

Delegated Duty	Value	Delegated Authority	Method/Comments
Ordering Goods and Services (non-staffing)	Up to £10,000 for budgeted expenditure	Chief Operating Officer, Head of Finance and Facilities Manager	Select one supplier and place order
	Up to £20,000 for budgeted expenditure	Head Teacher /Deputy Head Teacher in HT absence.	
	Up to £20,000 for budgeted expenditure	Director of Finance & Operations	
	Budgeted expenditure in excess of £20,000	CEO	Minimum of two quotes and formal written official order or its equivalent for the accepted quote.
	Any non-budgeted expenditure up to £10,000	Head Teacher /Deputy Head Teacher in HT absence.	Select one supplier and place order
	Director of Finance & Operations		
Any non-budgeted expenditure £10,001 - £25,000	Any non-budgeted expenditure £10,001 - £25,000	CEO	Select one supplier and place order
	Any non-budgeted expenditure £25,001 to £100,000	Finance and Resources and Committee	Minimum of three quotes and formal written official order or its equivalent for the accepted quote.
	Any non-budgeted expenditure £100,000 up to the UK Tendering Threshold	Board of Trustees	Minimum of three quotes and formal written official order or its equivalent for the accepted quote. Gas/Electric quotes may have a tight acceptance deadline which will be actioned accordingly.

	Between £100,000 and UK Tendering Thresholds	Board of Trustees	Formal tendering process as agreed and minuted by the Finance & Resources Committee.
	Above UK Tendering Thresholds £213,477 Supplies & Services £ 663,540 LTR £5,336,937 Works Contracts (Jan 2024)	Board of Trustees	Professional advice to be sought where expertise is not available within the Trust
Staffing (net costs)	Any staff changes/expenditure non-budgeted up to £25,000	CEO	Required authorisation of Staffing Variation
	£25,001 - £50,000	Finance and Resources Committee	Minuted record
	> £50,000	Board of Trustees	Minuted record
Signatories for ESFA grant claims and ESFA returns	Any	Accounting Officer or as required by the ESFA	Claims and returns may be entered on behalf of Accounting Officer by Director of Finance & Operations
Virement of budget provision between budget headings/cost centres	Up to £10,000	Dual Control – Both Head Teacher and Director of Finance & Operations	
	£10,000 - £25,000	CEO	
	£25,000 and above	Finance & Resources Committee	
Acquisition and disposal of fixed assets	Acquiring a freehold on land or building	Secretary of State, via ESFA	Principles of best value must apply.
	Disposing of freehold on land or buildings	Secretary of State, via ESFA	Separate disclosure is required in the annual accounts for all transactions exceeding £5,000
	Disposal of any other fixed asset up to £1,000	Head Teacher and Director of Finance &	

		Operations	Disposal of assets over £500 must be reported to Finance & Resources committee.
	Disposal of any other fixed asset £1,000 - £5,000	CEO	
	Disposal of any other fixed asset over £5,000 and up to £10,000	Finance & Resources Committee	
	Disposal of any other fixed asset over £10,000	Board of Trustees	
Leasing	<p>Taking up a finance lease on any class of asset for any duration from another party.</p> <p>Taking up a leasehold tenancy agreement on land or building from another party for a term of seven or more years</p> <p>Granting a leasehold interest, including a tenancy agreement, of any duration, on Land & Buildings to another party.</p>	Secretary of State, via ESFA	<p>Principles of regularity, propriety and value for money must apply.</p> <p>Separate disclosure is required in the annual accounts for all transactions exceeding £5,000</p>
	Operating leases on assets that are not land or buildings.	In line with 'Ordering Goods and Services' delegations above.	
Writing-off bad debts & losses and entering into guarantees, indemnities or letters of comfort	<p>Up to £500</p> <p>£500 to 1% of total income or £45,000 (whichever is smaller) per single transaction;</p> <p>£500 to cumulatively, 2.5% of total annual income in any one financial year per category of transaction if the trust has <u>not</u> submitted timely unqualified financial returns for the previous financial years.</p>	<p>Head Teacher and Director of Finance & Operations</p> <p>Board of Trustees</p> <p>Board of Trustees</p>	<p>The amounts for write-offs are before any successful claims from an insurer.</p> <p>Total annual income is defined as grant income as disclosed in the trust's last set of audited accounts.</p> <p>The categories of transactions are defined as (a) write off of debts and losses, and (b) guarantees indemnities and letters of comfort.</p> <p>Separate disclosure is required in the annual</p>

	<p>£500 to cumulatively, 5% of total annual income in any one financial year per category of transaction providing the trust has submitted timely unqualified financial returns for the previous financial years.</p>	Board of Trustees	accounts for all transactions exceeding £5,000
	Beyond these limits	Secretary of State via the ESFA	
Payroll Report Monthly Check	Full check of individuals on report	Finance Managers	Payroll report checked to establish validity and completeness of payroll payments to staff
Payroll authorisation	Full monthly payroll charge	Director of Finance & Operations/Head of Finance/Chief Operating Officer (Dual control)	Payroll report to be initially checked and authorised by the Finance Managers
Staff severance & compensation payments	Where <u>non</u> -statutory/ <u>non</u> -contractual element is under £50,000 gross	Board of Trustees	Separate disclosure is required in the annual accounts for all transactions exceeding £5,000
	Beyond this limit	ESFA	Refer to Academy Trust Handbook for guidance.
Ex-Gratia Payments	Any value	ESFA/HM Treasury	Refer to Academy Trust Handbook for guidance.
Scale of Charges for Lettings	Rates to be charged to hirers	Finance & Resources Committee	Rates to reflect local facilities
Any form of borrowing	Any value	Secretary of State, via ESFA	
Any irregular or improper transactions	Any value	ESFA or HM Treasury dependent on the nature of the transaction.	

11. Separation of Duties

CEO and Director of Finance & Operations will decide which members of staff will undertake the roles detailed below for the Trust, which will be recorded on the authorised signatory list.

(a) Initiating Officer: a member of staff authorised by the CEO and DFO to sign official orders (or order requisitions where utilised) on behalf of the Trust. They would ensure budget provision is available and best value is obtained. The person who signs the order is deemed the Initiating Officer and, therefore, he / she cannot authorise or certify the invoice.

(b) Certifying Officer: a member of staff other than (a) or (c), who passes an invoice for authorisation, having confirmed receipt of goods or services and checked arithmetical accuracy, quantities, prices etc. against the original order

(c) Authorising Officer: a member of staff other than (a) or (b), designated by the CEO and DFO to authorise individual invoices for payment. In authorising an invoice for payment, the Authorising Officer is indicating that all relevant Financial Regulations have been complied with and evidenced in respect of paying the invoice.

(d) BACS/: The CEO and DFO should determine a minimum of three BACS signatories for the Trust, of which two should sign each BACS run. The BACS signatories may include any of the persons (a) or (c) above. If a single invoice is over £50,000, a third signature will be requested to authorise payment.

Formal Documentation

The current bank mandate and authorised signatory form for each school account and the Trust account, will be held securely in the Finance Office.

12. Accounting & Financial Policies that impact on the above duties

- General Accounting Policies
- Charging & Remissions
- Anti-Fraud Policy
- Anti-bribery Policy & Procedures
- Whistleblowing
- Governors' and Trustees Expenses
- Gifts and Hospitality
- Investment Policy
- Lettings
- Procurement Cards – Policy and Procedures
- Tendering
- Conflicts of Interest

