

Governance - delegation of responsibilities and authorised signatories

The schools financial procedures provides maintained schools with guidance on a range of financial management processes that are set out as individual sections.

The authorised signatory list and levels should be considered and agreed at a governing board (GB) meeting. This would either be the finance committee who would make recommendations to the GB for approval, or it could be considered and approved by the GB.

Note:

- Allow for separation of duties. For example, no School should have the same person authorising orders and signing the cheques
- Allow for absences - at least two signatories for each area of authorisation
- Ensure that the authorised signatories for cheque signing/BACS authorisation are reflected on the Bank Mandate.

Budget and financial statements

The School's Annual Budget Plan is submitted to Ealing LA at the beginning of the Financial year. It must be carefully prepared by the Headteacher (HT)/Bursar/Finance Officer and Deputy Headteacher (DHT). The Budget must be ratified by the GB after consideration and recommendation by the Finance Committee. It must be authorised by the Chair of Governors and the Headteacher. Any changes to the approved budget during the financial year are made by completing 'virements'.

These virements must be authorised. The GB must approve the level up to which they delegate responsibility to the HT for authorising changes to the original budget. Consideration should be given to the level of experience of the HT when setting the agreed level.

The HT would have authority to sign the period end returns, including Bank Reconciliations, posting summaries, Year-End Returns including debtors & creditors schedules and any other Statutory Return required by the LA. In the absence of the HT, then the DHT would sign any returns

Purchasing

Orders for goods need to be placed via an authorised purchase order (PO), made on the school's finance management system. Once the order is placed a contractual commitment is made through the Schools funds for the purchase of goods or services. Schools may need to adopt different practices according to their size and organisation, but two examples are given below:

Secondary and large primary school

Once the School's Budget has been allocated to the various areas of expenditure and income then orders can be made. A budget may be allocated to Individual staff members based on their level of responsibility and the area they are responsible for.

The Budget Holder is the person who is responsible for authorising the order. After discussions or meetings with their team, they will know if the goods/service is necessary and ensure there are funds available to pay for the item required.

In a Secondary or large Primary School setting, Heads of Department would be responsible for authorising expenditure from the Budget allocated to them.

Orders for office stationery might be authorised by the Office Manager. Orders for smaller maintenance items would be authorised by the Premises Manager depending on budget allocation. Over-all orders outside this would be authorised by the SBM following discussions with the Headteacher re need, costs, and requirements.

Primary and nursery school

In a smaller setting, the same principle as above applies. Staff may request goods/services however formal authorisation will rest with key personnel. Once orders have been agreed by key personnel, they can then be processed on the Finance Management system by the individual with the relevant financial responsibility and given to the Headteacher for signing.

It is not expected that Governors would be required to sign Purchase Orders as they would not be Budget Holders, and the day to day running of the school is delegated to the Headteacher and other school staff. An exception to this would be where Governors have been involved in the selection of a tender for a Contract, e.g., building cleaning or a significant purchase of ICT equipment. For a Governor to sign off on the Purchase Order, it would be necessary for them to be included on the Scheme of Delegation.

Receipt of goods

Receipt of goods needs to be fully managed and controlled within a School. Upon delivery, the delivery note should be checked against the items received, signed, and dated to indicate that the goods received were complete and correct.

Delivery drivers may not wait for school staff to check the goods upon delivery, if so, when signing for the goods, the staff member needs to sign the delivery note "received but not checked". Receipts/delivery notes should be attached to the original Purchase Order, this will then evidence that the order has been received and the invoice may be paid upon receipt. If items are missing from the delivery note, the school will need to contact the supplier as a matter of urgency to advise of such.

Payment

Nominated signatories according to the Bank Mandate must be aware of the relevant legal and financial guidance and regulations around Procurement. Segregation of Duties is imperative and where possible the person signing the cheque should not be the person who authorised the order, this helps minimise any risk of fraud or inappropriate use of LA funds. No authorised signatory can authorise any form of payment or claim for themselves. If all orders are authorised by the Budget Holder or School Administrator, then Cheques/BACS can be authorised by the Head or another nominated Member of the Senior Leadership Team, subject to adequate documentation.

Two signatures may be required over an agreed amount. Recommended levels are:

- Secondary: over £1,000
- Primary: over £500

These levels will be agreed and appear on the school's Bank Mandate.

If in an emergency a non- order invoice has been received, the Headteacher (or Deputy Head Teacher where necessary) should always authorise payment for all goods and services. This should only happen in an emergency and good practice dictates that Purchase Order must be raised for goods/services prior to receipt.

Salaries and wages

Documents requiring authorisation relating to salaries & wages should be authorised by the Headteacher or Deputy Headteacher in the Headteacher's absence. Examples are overtime claims, mileage claims, honoraria, travel & subsistence claims, etc. The chair of governors would sign for salary documentation relating to the Headteacher.

General

The headteacher and deputy headteacher should have authority in all areas, with the headteacher being the main signatory, only in the headteacher's absence would the deputy headteacher sign any relevant paperwork, e.g., virements and salary/wage claims etc.

Contacts

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Last updated: 04 Sep 2024
