

DELEGATED FINANCIAL LEVELS OF AUTHORITY OWN TRUST



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Committee:	Finance & Audit	
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REVISIONS

Version	Page/ Item No.	Description of Change	Approved On
1.0		First approval	30.09.2019

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OWN Trust Financial Levels of Authority

This table clarifies exactly what authorisation levels are required by OWN TRUST for revenue and capital costs:

- Ordering goods and services
- Capital projects
- Virement (re-allocation) of budget provision between budget heads
- Disposal of assets
- Write-off bad debts
- Write-off overpayments to staff
- Purchase or sale of freehold property
- Granting or taking up of any leasehold or tenancy agreement exceeding 3 years
- Any guarantees, indemnities and letters of comfort entered into
- Ex-gratia payments

All procurement must be carried out in compliance with the principles of the EU Treaties, include the free movement of goods (Article 28 of the EC Treaty), the right of establishment (Article 43), the freedom to provide services (Article 49), non-discrimination and equal treatment, transparency, proportionality and mutual recognition. For most goods and services where contracts will have a value over their lifetime in excess of the OJEU threshold, a strict procedure must be followed in compliance with the Public Contracts Regulations 2006 and related regulations.

All colleagues must be aware of their financial responsibility.

As with all aspects of our work,

- we encourage all staff to work collaboratively;
- we operate the assumption that if you feel like you might need to ask, then you should ask;
- we ensure the highest levels of probity and best value dominate all we do

The authority to accept other than lowest quotation or tender: requires approval required in accordance with the delegated authority set out below

A clear business case to be provided for next appropriate governance meeting.

(Please see the grid on the subsequent pages for the specific levels):

Purchases from revenue: Value	Delegated Authority	Comment
Ordering goods and services (including advertising of tenders and award of contracts). NB sums are those of the total contract. Particular attention must be paid to multiple year contracts		
Up to £5,000	Primary Academy Headteacher/CEO For Trust Purchases	Orders up to £5,000 at least a single written quotation is required
£5,001 to £10,000	Primary Academy Headteacher/CEO For Trust Purchases	Orders over £5,001 and up to £10,000 require 3 written quotations and clear documentation for the decision taken
£10,001 to £24,999	2 post holders with appropriate authority e.g. Head Teacher and Chair of Governors, CFO/CEO	It is the responsibility of the Headteacher/CEO to ensure that the academy has obtained quotes or tenders from at least 3 suppliers. Appropriate post holders should determine arrangements for ensuring that these quotes are considered before deciding which supplier to award the contract to. Under normal circumstances this would be the lowest of the 3 (or more) quotes/tenders so long as 'best value' is being achieved. If the option is taken for a quote/tender other than the lowest, the reasons for such a decision should be clearly documented and reported to the LGB/F & A Committee
£25,000 - £49,999	2 post holders with appropriate authority e.g. Head Teacher and Chair of Governors, CFO/CEO	It is the responsibility of the Head Teacher/ CEO to ensure that the school has taken the same reasonable steps to ensure that the Best Value has been achieved on any purchase and these steps are documented and retained for inspection. If it is not known if the purchase will exceed £25,000 but it is estimated that it will be around £25,000, then evidence of the steps taken should be retained. In practice, the most straightforward method of achieving proof of best value is by obtaining and documenting quotes or tenders as detailed above.

£50,000 - £181,301	<p>3 post holders with appropriate authority:-</p> <p>Head teacher, CEO, Chair of Governors, Chair of Trust</p>	<p>Full tender – two stage</p> <p>Fully advertised competitive process 3 tenders</p>
£181,302 and above	<p>OWN TRUST Board (2 signatures) and CEO</p> <p>The tender documents must be approved with the Board prior to the tender being advertised.</p>	<p>Contracts over EU thresholds for the time being</p> <p>(for guidance refer to www.ojec.com/Thresholds.aspx):to follow a compliant process under the Public Contracts Regulations 2006 and subsequent legislation</p>

Disposal of assets Value	Delegated Authority	Comment
Up to £19,999	Head teacher or CEO	CFO to report to OWN TRUST Board
Over £20,000	CEO, Trust Board, and DfE	DfE approval required for disposal of assets funded with more than £20,000 of DfE grant or transferred from the LA at nominal consideration
Write-off bad debts Value	Delegated Authority	Comment
Up to £1000	Head teacher & Office Manager	Report to Next Quarterly Review Meeting
Over £1,000	Trust Board & CFO (plus ESFA approval where greater than 1% of total annual income or £45k whichever is smaller)	Report to OWN TRUST Board
Write-off overpayments to staff: Value	Delegated Authority	Comment
Up to £1,000	Head teacher & Business Manager	
Over £1,000	CFO/CEO	