



POLICIES & PROCEDURES

Financial Scheme of Delegation

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1. Policy Statement

- 1.1 This document sets out the Scheme for the delegation of financial authority within South West College.
- 1.2 This policy has been developed taking account of the requirements of the Partnership Agreement between the Department for the Economy and the Further Education Colleges.

2. Policy Scope

- 2.1 This policy is applicable to the Governing Body, staff and any third parties employed by or working with the College.

3. Definitions

3.1 Articles of Government

Sets out the functions and responsibilities of the Governing Body of South West College in accordance with the requirements of The Further Education (Northern Ireland) Order 1997.

3.2 Partnership Agreement

A document setting out the strategic control framework within which the South West College as a public body is required to operate, including the conditions under which any government funds are provided to the College.

4. Accountabilities and Responsibilities

- 4.1 All College staff are expected to comply with the financial delegations contained in this document. The key responsibilities and accountabilities are set out below:

4.2 Governing Body

4.2.1 The Governing Body is responsible for securing the efficient and effective management of college activities and property. It may delegate to an appropriate committee of the Governing Body or the Chief Executive such responsibilities as are required to ensure the efficient organisation of college business and activities. The key financial delegations are described in this paper.

4.2.2 Specifically in relation to financial matters the Governing Body is responsible for:

- Ensuring that funds from the Department for the Economy, (DfE) are used only in accordance with the Further Education (Northern Ireland) Order 1997, the Partner Agreement and any other conditions imposed by the Department;
- The effective use of resources, the solvency of the college and for safeguarding its assets; and
- Approving annual estimates of income and expenditure.

4.3 Finance And General Purposes Committee

4.3.1 The Finance and General Purposes Committee has a particular responsibility to advise the Governing Body in respect of the estimates, budget and presentation of the accounts of the college and on any other matters as the Governing Body may from time to time remit to it. In particular the Finance and General Purposes Committee will:

- Consider the annual estimates of income and expenditure and recommend it to the Governing Body for approval;
- Review budget reports and other financial information and advise the Governing Body on the effective use of resources, the solvency of the College and the safeguarding of its assets;
- Receive, periodically, reports on business cases and expenditure decisions with a value over £50,000;
- Review annually fees and charges and make recommendations to the full Governing Body for approval; and
- Report to the full Governing Body all significant financial matters and any potential surplus or deficit.

4.4 Chief Executive

4.4.1 The Chief Executive is the Accounting Officer for the College and is responsible for:

- Ensuring the financial and operational administration of the college's affairs in accordance with the Further Education (Northern Ireland) Order 1997, the Partnership Agreement and any other conditions imposed by the Department for the Economy;
- Presentation of annual estimates of income and expenditure for consideration and approval by the Governing Body;
- The overall management of the budget and other resources, including approval of expenditure decisions, within the estimates approved by the Governing Body;
- Ensuring that expenditure decisions requiring Governing Body / Finance and General Purposes Committee approval is properly obtained;
- Approving, on an exceptions basis, any expenditure decision necessary for the effective and expedient operation of College business but ensuring such decisions are properly recorded and brought to the Governing Body at the earliest opportunity;
- Ensuring, as Accounting Officer, that issues of propriety, regularity and value for money are properly considered in relation to all matters of income and expenditure;
- Advising the Governing Body on all significant financial management matters impacting on the College's income and expenditure;
- Establishing delegated budget structures and internal approval limits to facilitate effective financial management within the College and delegating budgets on an annual basis; and
- Effecting from time to time any other delegation arrangements necessary for the effective operation of College business.

4.5 Head Of Finance and Governance

4.5.1 The Head of Finance and Governance is responsible for:

- Ensuring the College Scheme of Financial Delegations is adhered to;
- Ensuring that all staff are aware of the College Scheme of Financial Delegations and related guidance and ensuring it is reviewed on a regular basis;

- Ensuring preparation of annual estimates of income and expenditure for consideration and approval by the Chief Executive;
- Ensuring systems and processes are in place to facilitate the effective management of the budget;
- Providing both support and challenge to other managers in the discharge of their financial management responsibilities;
- Approving expenditure decisions, within the limits approved by the Chief Executive and/or Governing Body;
- Approving virement up to +£100k between and across any budget heading within the overall budget approved for the College and in accordance with the Partnership Agreement or other conditions imposed by the Department;
- Advising the Chief Executive on all significant financial management matters impacting on the College's income and expenditure;
- Assisting the Chief Executive to establish delegated budget structures and internal approval limits to facilitate effective financial management within the College; and
- Developing supporting policy framework and ensuring it is reviewed on a regular basis.

4.6 Finance and Governance Section

4.6.1 The Finance and Governance section of the College is supported by the Deputy Head of Finance and Governance and is responsible for:

- Overseeing the effective and consistent operation of this policy;
- Monitoring compliance with the policy and reporting as appropriate to the Head of Finance and Governance and the Chief Executive;
- Developing, implementing and supporting procedures and guidelines;
- Providing both support and challenge to other managers in the discharge of their financial management responsibilities;
- Ensuring appropriate accounting and financial management reporting systems are in place and are operating effectively;
- Preparing annual estimates of income and expenditure for consideration and approval by the Head of Finance and Governance and the Chief Executive;
- Producing financial reports to facilitate monitoring and effective management of the budget;

- Bringing to the attention of the Head of Finance and Governance and the Chief Executive all significant financial management matters impacting on the College's income and expenditure; and
- Ensuring the delegated budget structures and internal approval limits are operating effectively within the College.

4.7 Budget Holders

4.7.1 Budget holders are responsible for managing that part of the College budget delegated to them each year by the Chief Executive and will retain overall responsibility for the totality of the budget under their area. In discharging their responsibilities Budget holders must:

- Ensure compliance with this policy and any associated financial approval limits operating within the College;
- Take appropriate action to ensure income and expenditure is managed within the limits set in the annual budget (as amended from time to time in-year);
- Ensure significant variances are brought to the attention of the Chief Executive;
- Ensure that delegated financial levels of authority are not exceeded;
- Ensure all proposed changes to budget lines are agreed and properly approved;
- Ensure that expenditure approvals are properly documented, evidenced by signing and dating and records retained for audit and inspection;
- Ensure college procedures have been applied to all expenditure decisions within their areas of responsibility;
- Ensure appropriate business cases are prepared to support all specific expenditure decisions or projects;
- Participate fully in financial planning processes including preparation of resource bids; and
- Ensure appropriate use and protection of public funds and that value for money is always achieved.

5. Procedure For Implementation

5.1 Scheme of Financial Delegations

5.1.1 The framework for financial delegation within the South West College cascades from the Governing Body and the Chief Executive through to other managers within the organisation.

5.2 Recurrent Funding / Expenditure

5.2.1 Recurrent funding relates to expenditure incurred to meet the recurrent operational costs of the College and will include staff costs, routine maintenance and upkeep of buildings, utility costs, material, supplies and services. This type of expenditure will be managed through the College delegated budget structure in line with the cost centre structure on the Financial Accounting System, Agresso Business World.

5.2.2 Authority to incur recurrent expenditure will be effected through the approval of the annual estimate of Income and Expenditure. Through that process full authority is in effect delegated to the Chief Executive subject to any subsequent requirements of this policy, the Partnership Agreement or other requirement imposed by the Department.

5.2.3 In certain circumstances revenue expenditure (e.g. new programmes, changes to programmes, specific projects and special events) will additionally require completion of pro forma economic appraisals and specific approval steps to be followed, where this is likely to commit significant resources either in the immediate or long term.

5.3 Capital Funding / Expenditure

5.3.1 Capital funds are intended to meet expenditure on land and buildings, new construction and extension of and alterations to buildings and the purchase of any fixed assets, e.g. equipment, furniture, plant and vehicles having a life expectancy of more than one year and having an initial value above £3k. The routine maintenance and upkeep of buildings and other assets is not capital expenditure.

5.3.2 Managers who are budget-holders need to determine capital expenditure requirements annually as part of the College budget setting exercise and submit

them to the Head of Finance and Governance. This will include the completion of appropriate business case proformas which should be submitted alongside budget submissions. The Head of Finance and Governance will review proposals and make recommendations to the Chief Executive and Directorate with regards to budget allocations. Approved bids will form part of the College's annual estimate of Income and Expenditure and as appropriate will be supported by specific bids against reserves or to the Department for the Economy for capital funding.

5.3.3 The College shall use any external funds which are earmarked or provided for specific recurrent or capital purposes, solely for those purposes. No capital expenditure should be incurred without the appropriate budget cover being in place.

5.3.4 Capital funding and other project type expenditure approval thresholds and supporting documentation requirements are summarised in **Appendix 1**.

5.4 Expenditure incurred by the Governing Body and Secretary

5.4.1 The Governing Body and Secretary to the Governing Body may, in the normal course of discharging their duties have a requirement to incur expenditure. Such expenditure will normally be approved by the Chief Executive in her role as Accounting Officer, or in exceptional circumstances, in the absence of the Accounting Officer, by the Head of Finance and Governance. Should any situation arise whereby the Accounting Officer would be conflicted in approving such expenditure then approval of the Department should be sought.

5.5 Consultancy Expenditure Approval

5.5.1 Colleges must follow the guidance contained in the Partnership Agreement. This guidance provides definitions for different types of professional services. For all individual consultancy assignments in excess of £10,000, colleges must submit a proportionate economic appraisal/business case to the Department for the Economy and secure Ministerial approval. All assignments in excess of £150,000 will also require DoF approval.

5.5.2 The fundamental principle is that external professional services should be engaged only when it is necessary and the business case should demonstrate value for

money.

5.5.3 No external consultants should be engaged or appointed until all necessary approvals have been obtained.

5.6 Virement

5.6.1 The College has the flexibility to transfer recurrent funds between one category of recurrent funding to another within its budget structures, subject to any limitations placed on it by the Department. Virement will be approved, as appropriate, by the Head of Finance and Governance.

5.7 Novel, Contentious or Repercussive Proposals

5.7.1 Special consideration must be given to any proposal that could be deemed novel, contentious or repercussive in nature. Such proposals may require approval by Head of Finance and Governance or the Governing Body and in addition the approval of the Department and DoF will also be required. This approval must be obtained before any expenditure is incurred. This might include:

- Expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future cost implications, including on staff benefits;
- Making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department for the Economy; and
- Making any change of policy or practice which has wider financial implications (e.g. because it might prove repercussive among other public sector bodies) or which might significantly affect the future level of resources required.

5.8 Delegated Procurement Limits

5.8.1 All procurements must be approved by a manager with the appropriate level of delegated authority. Delegated limits for procurement, including detailed guidance is set out in the College's Procurement Policy.

5.8.2 Delegated procurement limits relate to the placing of requisitions, purchase orders and approval of payments and are separate and distinct from the pre procurement approval process for budgets and specific proposals, whether capital or recurrent

expenditure. All pre procurement approvals must be in place before an order is placed and it is the responsibility of the approving manager to ensure this is the case.

Signed Principal and Chief Executive: Celine McCarroll
Date: 20.11.24

Signed Chair of the Governing Body: Nicholas O'Halloran
Date: 20/11/2024

Appendix 1 – Capital and Revenue Expenditure Approval Thresholds and Requirements

Expenditure Limit	Supporting documentation requirements:	Finance Quality Review	Budget holder	Chief Executive	DfE	DoF
Up to £1,000,000	A pro-forma Economic Appraisal template should be completed and approved	✓	✓	✓		
Greater than £1,000,000	A full Economic Appraisal should be completed to comply with DoF guidance	✓	✓	✓	✓	
Capital greater than £5,000,000	A full Economic Appraisal should be completed to comply with DoF guidance	✓	✓	✓	✓	✓

Related Documentation

Title	Location	Owner
Partnership Agreement		
South West College Procurement Policy	Gateway	Head of Finance and Governance
College Articles and Instruments of Governance	SWC Website	
All Governance Bulletins and guidance as issued by the Department for the Economy and the Department of Finance	SWC Website	

Change Log

Location	Change from deletion/addition	Change to
Whole Document	Convert to standardised policy template	SWC standardised template
Whole Document	Financial Memorandum and the Management Statement	Partnership Agreement
Page 4 (4.3.1)	between £50,000 - £150,000	Over £50,000
Page 6 (4.6.1)	Financial Accounting Officer and Finance Manager	Deputy Head of Finance
Page 9 (5.3.2)	Chief Executive	Chief Executive and Directorate
Whole Document	Head of Finance	Head of Finance and Governance
Page 10 (5.6)	The college may transfer recurrent funds to capital funds but shall not transfer capital funds to recurrent funds. The College may transfer funds from minor building works to major capital works, but not the reverse. It may also transfer funds between minor building works and grants for the purchase of equipment for education, training and administration including computers and for the purchase of furniture but not the reverse.	Removed from document
Page 12	New thresholds included	

Communication

Who needs to know (for action)	Senior Management Team Finance and Governance Team All Budget Holders and Approvers
Who needs to be aware	Governing Body All Staff

Communication Plan

Action	By Whom	By When
Upload to Gateway	Nicola Nugent	On approval
Communication to key staff	S O'Donnell	November 2024 (tbc)

Document Development

Details of staff who were involved in the development of this policy:

Name	Role
Sean O'Donnell	Head of Finance and Governance

Details of staff, external groups or external organisations who were consulted in the development of this policy:

Name	Organisation	Date
N/A		

Approval Dates

Approved by	Date
Governing Body	November 2024

Document History

Issue no. under review	Date of review:	Persons involved in review	Changes made after review. Yes/No If yes refer to change log	New Issue No.	If changes made was consultation required?	If changes made was Equality Screening required?
V3.0	October 2024	Sean O'Donnell	Yes	V4.0	No	No