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Charity webinar: governance
for academy trusts

The webinar will begin shortly.

Agenda

- Introduction and housekeeping – Katharine Patel
- Setting the scene - ESFA and charity governance – Katharine Patel
- Financial management – Matthew King
- Risk and governance – Hugh Swainson
- Q&A session

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Setting the scene –
Governance within an
academy trust

Katharine Patel

Role of the Board - DfE

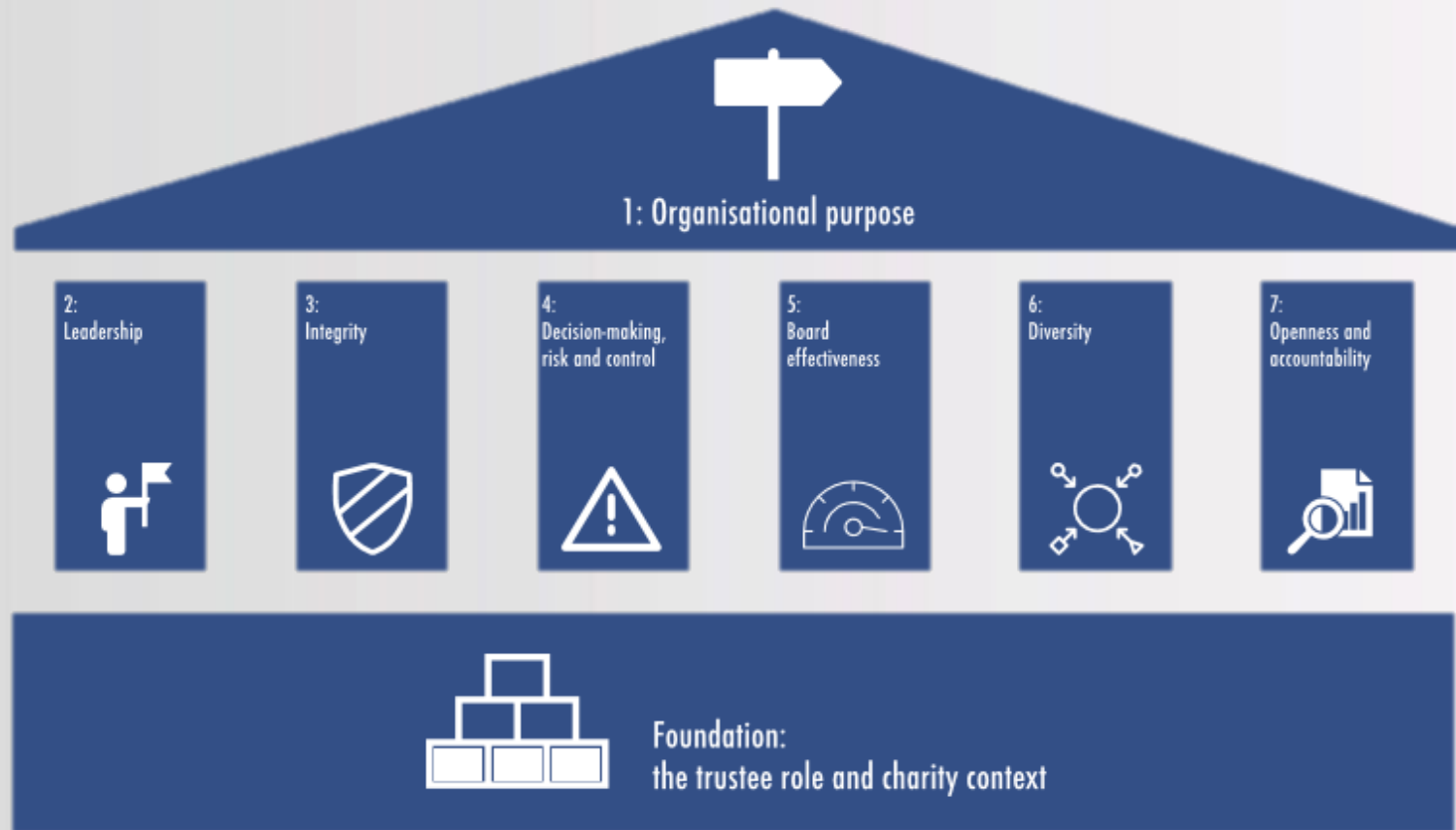
The DfE identifies three core functions for governing boards:

1. Ensuring clarity of *vision, ethos and strategic direction*
2. *Holding executive leaders to account* for the educational performance of the organisation and the performance management of staff
3. *Overseeing the financial performance* of the organisation and making sure its money is well spent

Behind the governance requirements of a Trust



A range of guidance (and regulation) –
The Charity Governance Code



A range of guidance (and regulation) –
The DfE's Governance Handbook and Competency Framework for Governance



A range of guidance (and regulation) – The ESFA's Academies Financial Handbook

- Roles and responsibilities defined in context of a Trust, including members, trustees, Accounting Officer, CFO and Clerk
- Audit & Risk Committee (*must*)
- Accountability and financial requirements
 - Delegation and control framework
 - Financial planning – budgeting and monitoring, reserves management
 - Procurement and value for money
 - Whistleblowing

A range of guidance (and regulation)

– The ESFA's Academies Financial Handbook

- Internal assurance/scrutiny
- risk management
- Managing conflicts of interest and related party transactions
- Delegated authorities and ESFA approval
- External audit
- Regularity and propriety

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Financial management from
a governance perspective

Matthew King

FEE-MAT Case Study

<p>FEE-MAT is a 12 primary school MAT.</p>		<p>Board meeting: Trust board approves St Julian's sports hall project.</p>		<p>The bursar at St Julian's approves an extension to the Sports Hall contract.</p>		<p>Urban Pastures Primary in Sheffield is unable to pay its staff on time.</p>		<p>The statutory auditors present a series of their management report to the Board.</p>	
<p>31st August 2019</p>	<p>1st September 2019</p>	<p>3rd September 2019</p>	<p>Late November 2019</p>	<p>22nd March 2020</p>	<p>15th July 2020</p>	<p>31st July 2020</p>	<p>4th August 2020</p>	<p>26th November 2020</p>	<p>3rd- 21st February 2021</p>
	<p>St Julian's Senior School joins the trust.</p>		<p>Recharges of teaching staff between two Sheffield Schools increase.</p>		<p>The Trust Board are presented with the Q3 cash accounts, showing a £2m overspend and issues in Sheffield and at St Julian's.</p>		<p>St. Julian's begins to enter its overdraft.</p>		<p>The ESFA conducts an investigation into the Trust's governance and financial management and issues a Financial Notice to Improve.</p>

FEE-MAT: What went wrong?

- Lack of Audit and Risk Committee
- Form, content and frequency of management accounts
- Fund management/ forecasting
 - Capital vs. revenue
 - Funds by school
- Tendering and procurement
 - Related parties
- Ongoing control
- Staffing levels
- Other issues – strategic direction and due diligence

Governance principles and best practice points

Management accounts	Policies and procedures	Risk management
Completeness of information	Checks against the AFH	Identification of areas of concern
Major projects and staffing issues	Regular review	Regular review
Reserves	Formation of new policies as appropriate	Mitigation of potential risks
Unusual variances	Consideration of new requirements	Immediate plans for significant areas of concern
Plans for addressing issues	Ownership of issues	Ownership of issues

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Governance: Roles and oversight

Hugh Swainson

Secondary SAT case study: Goodenough School

Rated 'Good' by Ofsted. Finances very stable. Well respected Head. Long-term Business Manager		Trustees become aware that the audit process has been difficult		Business Manager departs, but whistleblows to ESFA		Further allegations arise in connection with CEO		Ofsted grades the school RI	
2017	1 Sept 2018	November 2018	March 2019	June 2019	August 2019	Autumn 2019	December 2019	Summer 2020	August 2020
	New Business Manager appointed following retirement of predecessor		New Business Manager very disgruntled and falling out with Head. Trustees explore further		ESFA investigation substantiates allegations and raises a number of issues within its report		CEO departs and new CEO appointed		Chair resigns along with a number of other trustees. RSC recommends move into a MAT

Role of trustees



Support

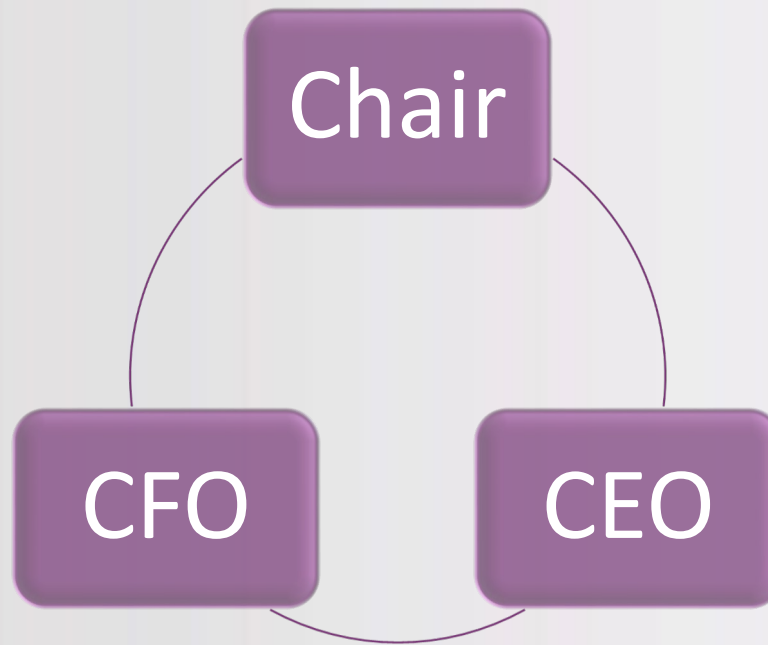
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Challenge

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Key relationships





Education & Skills
Funding Agency

Academies financial handbook 2020

For academy members, trustees,
accounting officers, chief financial
officers and auditors

Effective from 1 September 2020

June 2020

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Oversight



Triangulation



3 lines of defence

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Q&A

Chaired by Katharine Patel

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Thank you for watching

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