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Governance for academy trusts

09 February 2023

Agenda

- Introduction and virtual housekeeping – Hugh Swainson
- Setting the scene: ESFA and charity governance – Alison Pyle
- Case study: A growing MAT – Hugh Swainson
- Case study: Financial management challenges – Catherine Biscoe
- Q&A – Chaired by Hugh Swainson
- Close

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Setting the scene: ESFA and charity governance

Alison Plye

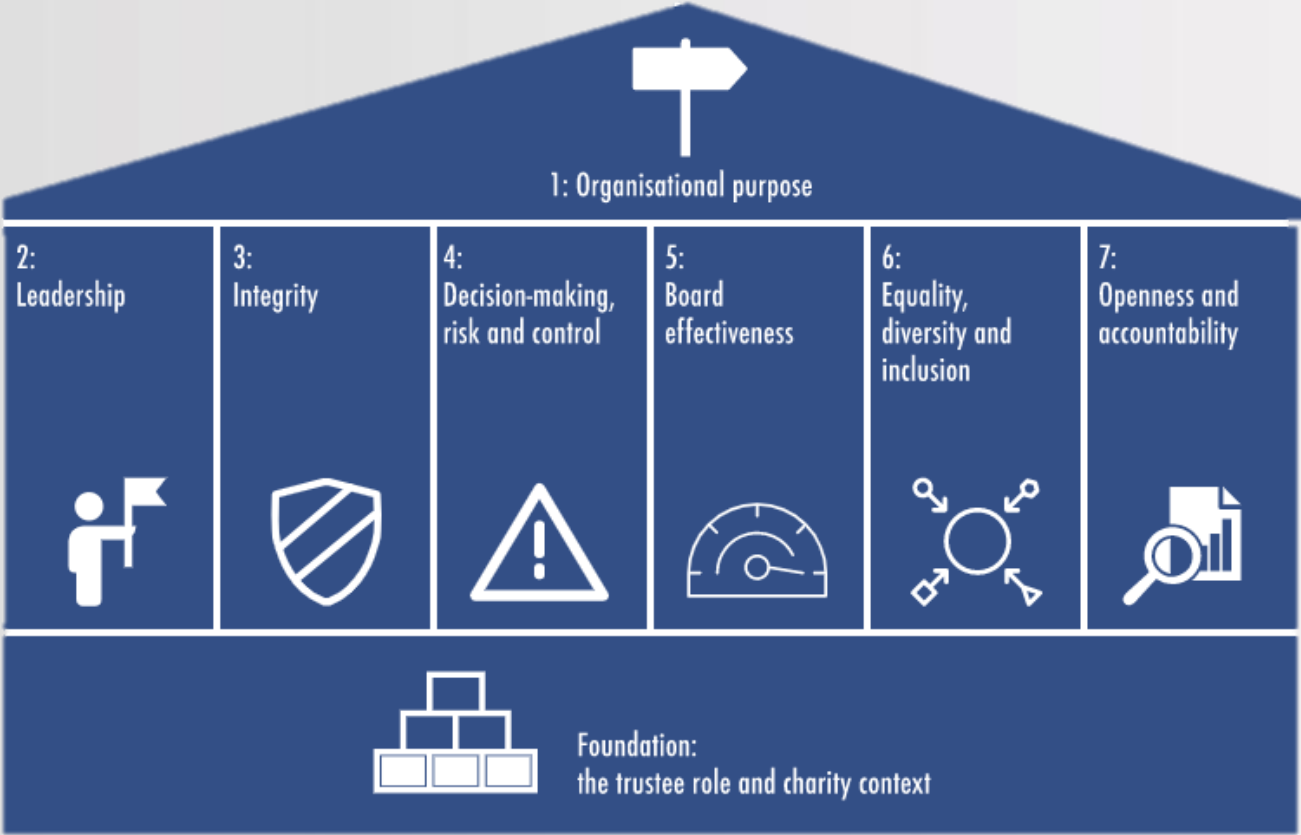
Role of the Board - DfE

- The DfE identifies three core functions for governing boards:
 - Ensuring clarity of vision, ethos and strategic direction
 - Holding executive leaders to account for the educational performance of the organisation and the performance management of staff
 - 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 Governance professional
- 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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Case study: A growing MAT

Hugh Swainson

Growing MAT case study: Freedom MAT

<p>4 local schools form MAT. CEO from Flagship School, 0.6 Head and 0.4 CEO.</p>		<p>Cyber incident hits 3 of the schools. Review and restructure of IT. RPA claim challenges.</p>		<p>FARC Chair raises a series of questions and recommends wide ranging changes.</p>		<p>A lot of debate within the trustee Board and some steps taken regarding Sovereign Primary</p>		<p>Significant adjustments identified that impact finances. Trust misses ESFA filing deadline and files in February 2022.</p>	
<p>2015</p>	<p>1 Sept 2020</p>	<p>November 2020</p>	<p>March 2021</p>	<p>May 2021</p>	<p>September 2021</p>	<p>October 2021</p>	<p>November 2021</p>	<p>December 2021</p>	<p>Spring 2022</p>
	<p>MAT grows to 8 schools over time through individual conversions. Then the 2 school 'Minnow MAT' joins. 2 trustees join board inc. FARC Chair.</p>		<p>Flagship School rated 'outstanding' by Ofsted, having not been visited since 2007.</p>		<p>Educationalist trustee raises concern over Sovereign Primary School.</p>		<p>Audit reporting does not hit FARC meeting.</p>		<p>Wide ranging changes implemented including heavy centralisation and GAG pooling. ESFA discussions, but Trust survives.</p>

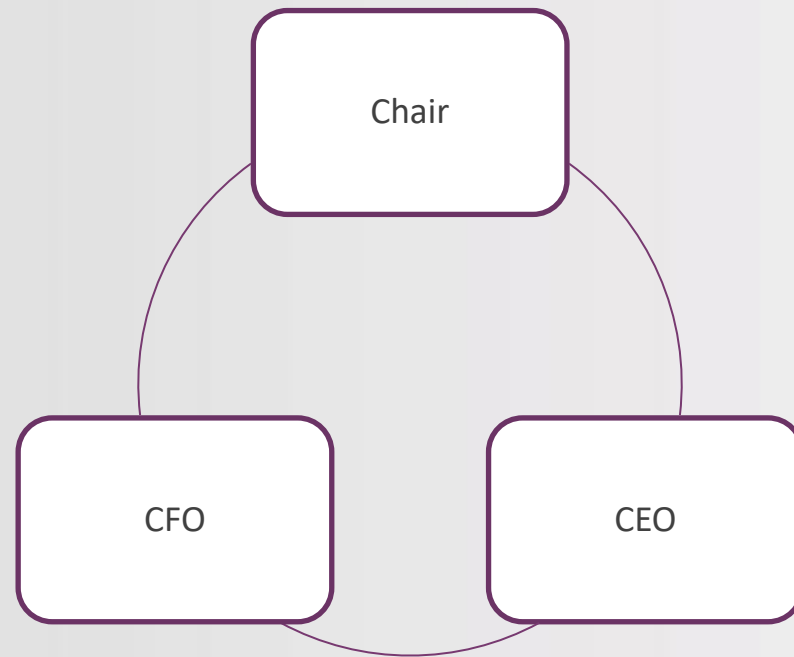


Clerking Competency Framework

The knowledge, skills and behaviours required to provide professional clerking to the governing boards of maintained schools, academies and multi-academy trusts

April 2017

Key relationships





Education & Skills
Funding Agency

Academy trust handbook 2022

also known as the Academies financial handbook

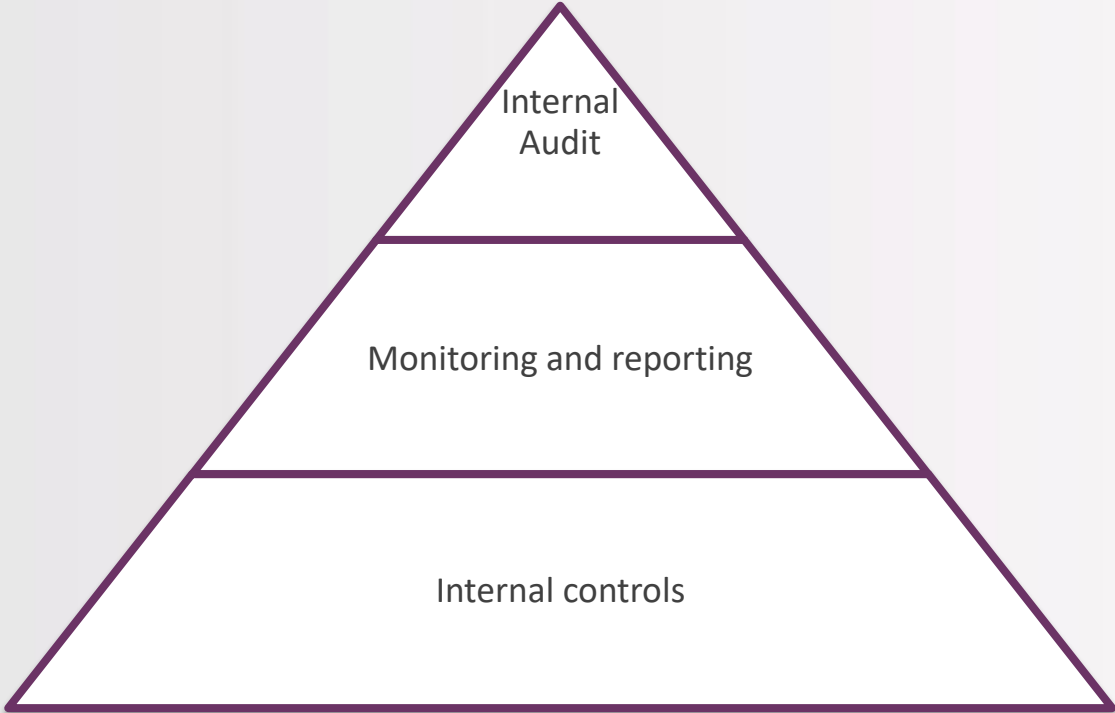
**For academy members, trustees,
accounting officers, chief financial
officers and auditors**

Effective from 1 September 2022

Oversight



Triangulation



3 lines of defence

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Case study: Financial management challenges

Catherine Biscoe

Case study



What went wrong?

- Quality of financial reporting, budgeting and forecasting
 - Key assumptions and risk
 - Sensitivity analysis
 - Monitoring of BvA and KPIs
- Reserves management
- Tendering and procurement
- Key management personnel
- Board effectiveness
- Risk management

Governance principles and best practice points

Management accounts	Policies and procedures	Risk management
Completeness of information	Checks against the ATH	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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Q&A

Chaired by: Hugh Swainson

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Thank you for listening