

Academies Financial Management and Governance Evaluation

Full Return

November 2011

© For action

Completion / submission requirements

All academies are required to complete a Financial Management and Governance Evaluation (FMGE) return for submission to the YPLA.

Academies preparing audited financial statements to 31 August 2011 (for submission to the YPLA by 31 December 2011) should submit the completed FMGE return by 29 February 2012.

New academies not yet required to prepare financial statements should submit the FMGE return by the relevant deadline set out in the table below:

Date of conversion / opening	FMGE return submission deadline
On or before 31 July 2011	31 December 2011
1 August to 30 September 2011	31 January 2012
1 October 2011 to 30 November 2011	29 February 2012
1 December 2011 to 31 December 2011	31 March 2012
1 January 2012 onwards	Within 4 months of conversion / opening

Academies should submit:

- An electronic copy of the completed FMGE return in Word format; and
- A scanned, signed copy of the Summary of Grades section;

to academiesfinancialmonitoring@ypla.gov.uk. Hard copy returns are not required.

We require one return per academy trust, meaning that federations may choose to send just one return for the whole federation. However, federations may find it useful for their constituent academies to complete and submit individual returns.

Full / summary returns

This is the full version of the FMGE return which must be completed by:

- all federations;
- academies previously self-assessed or assessed by the YPLA with an Inadequate overall rating for financial management and governance;
- any academy that has not previously completed an FMGE return; and
- any academy wishing to upgrade its overall rating for financial management and governance since the last round.

Academies that do not fall into any of these categories may choose to complete either this full return, or the [summary version](#). The academy's accounting officer should decide whether to complete the summary or full version.

The FMGE return

The FMGE return is in three parts:

- Summary of grades
- Part A: requirements
- Part B: best practice.

The summary of grades section asks you to propose grades for:

- Each of five areas that contribute to the overall evaluation. Two grades should be proposed for each area: one for compliance with requirements for that area (part A) and one for best practice against that area (part B).
- The academy's overall financial management and governance. Your overall grade should be based on the grades for the five areas.

Your proposed grades for each area and overall are interdependent. For example, an academy that fully complies with requirements and adopts best practice in an area may well propose a good or outstanding grade for that area. By contrast, an academy that adopts best practice in an area but does not comply with requirements is very unlikely to be able to justify a good grade for that area.

The possible grades, and our definitions of each of these, are given on the page following the summary of grades section.

Completing the FMGE return

Part A covers mandatory financial management and governance requirements. Please answer all the questions in part A by answering 'Yes', 'No' or 'Not applicable' in the appropriate column:

- 'Yes' answers should be accompanied by a brief description of the evidence held and/or a justification to support the 'Yes' answer;
- 'No' answers in part A, areas 1 to 4, usually indicate a weakness or an area for improvement within the academy's financial management arrangements. Where appropriate, please explain what plans the academy has to address the weakness identified. We further recommend that you complete, for your internal use, an improvement plan showing how you intend to address such weaknesses. The YPLA may ask to see such an improvement plan as part of its validation process;
- 'Not applicable' answers should be accompanied by a brief explanation to confirm why the question is 'Not applicable'.

Part B of the summary return sets out recommended and best practice in academies' financial management and governance. Please provide a response to all the questions in Part B:

- The questions are deliberately broadly phrased and do not ask for a 'yes' or 'no' answer. We want you to write down an explanation, at sufficient length, as to what your academy does in each area of best practice
- Where you identify a weakness or an area for improvement when responding to the questions in Part B, please explain what plans (if any) the academy has to address the weakness. We recommend that you include such weaknesses or areas for improvement in your improvement plan, showing how you intend to address such weaknesses.

Federation returns should provide sufficient detail so that we can understand arrangements across the whole federation. Your responses should make clear whether or not each academy within the federation operates to the same

arrangements. Where systems and controls differ, please explain how the procedures operate for each academy.

We do not need you to send in any detailed written evidence beyond that which you write on the return itself. We do not want you to send in your improvement plan, although we may ask for a copy as part of our initial review or as part of any review visit to the academy.

Your improvement plan should:

- Include all identified weaknesses / areas for improvement;
- Propose steps to address the weaknesses / areas for improvement;
- Identify who is responsible for making improvements;
- Set implementation dates;
- Include a 'follow up' column, so that progress can be monitored.

Your completed FMGE return, together with your improvement plan, should be signed by the accounting officer and shared with the governing body. Governors will then wish to oversee the implementation of your improvement plan.

If you need support completing the FMGE return, guidance and best practice is available from various sources. The [Academies Finance Director forum](#) is a good place to start, especially for those academies that are new to the sector. Alternatively, please contact the YPLA via academiesfinancialmonitoring@ypla.gov.uk.

YPLA review

We will review your completed return, initially by comparing your responses against the proposed grades. We may need to contact you as part of this initial review process to clarify your responses.

At the end of our initial review of your proposed grades, we will either accept or appropriately moderate each academy's proposed grades. Should we disagree with your self assessed overall grade, we will write to you to set out the reasons for this, and any actions we need you to take in response.

We will then visit a number of academies in 2012 to validate responses by examining key documents and interviewing senior managers and governors at the academy. At the end of these visits, we will also either accept or appropriately moderate the grades. We will visit any academy that does not send us a completed return.

Where either you self-assess your financial management and governance as Inadequate, or our review of your self-assessment indicates that an Inadequate grade is appropriate, the YPLA will formally intervene to secure satisfactory financial management and governance in the academy.

We intervene as the YPLA is required by the Department for Education to monitor financial management and governance in academies, and act to secure improvement where necessary. Both the YPLA and the Department for Education are mindful of the expectations of the parliamentary Committee of Public Accounts, on the advice of the National Audit Office, of the need for academies to have sound financial management and governance.

Summary of Grades

Name of Academy: Holmes Chapel Comprehensive School

UPIN: 114613

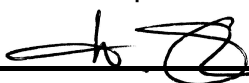
UKPRN: 1003124

We have self-assessed our financial management and governance arrangements for the period from 1 September 2010 (or date of conversion / opening if later) to the present day, using the Financial Management and Governance Evaluation return and our self-assessed grades are summarised in the following table:

Area	Grade derived from part A requirements	Grade derived from part B best practice
1) Financial oversight	Outstanding	Good
2) Financial planning	Outstanding	Good
3) Internal control	Satisfactory	Satisfactory
4) Financial monitoring	Satisfactory	Satisfactory
5) Proper and regular use of public funds	Good	Good
Overall assessment of financial management and governance	Good	

We have collated sufficient and relevant evidence to support this grade, which we will make available to the YPLA if requested.

Signed:



(Accounting Officer)

Name: Denis Oliver

Date: 31-Jan-12

(Provide details of the person(s) we should contact if we have any queries on the FMGE return; name, telephone number, and email address)

Definitions of Grades

Outstanding	<p>The academy fully complies with all requirements of the academies' financial handbook (part A only)</p> <p>AND</p> <p>there are many outstanding areas of strength* and no, or only a few, areas of weakness in the academy's practice of financial management and governance (parts A and B).</p>
Good	<p>The academy fully complies with all requirements of the academies' financial handbook (part A only)</p> <p>AND</p> <p>there are many good areas of strength* and no, or only a few, areas of weakness in the academy's practice of financial management and governance (parts A and B).</p>
Satisfactory	<p>The academy substantially complies with the requirements of the academies' financial handbook (part A only)</p> <p>AND</p> <p>there are some areas of strength* and some areas of weakness in the academy's practice of financial management and governance (parts A and B).</p>
Inadequate	<p>The academy does not substantially comply with the requirements of the academies' financial handbook (part A only)</p> <p>AND</p> <p>there are no, or only a few, areas of strength* and many areas of weakness in the academy's practice of financial management and governance (parts A and B).</p>

* A 'strength' is where arrangements represent exemplary practice. Arrangements should go beyond mere compliance with the requirements (whether mandatory or best practice).

In contrast, non-compliance with either a mandatory or best practice requirement should be viewed as a weakness.

Very new academies that are not compliant with the mandatory requirements yet because they haven't had time to take appropriate action, should limit their self-assessed rating(s) to Satisfactory.

Academies Financial Management and Governance Evaluation (FMGE) - Full Return

Part A: Requirements of Academies per Financial Handbook, Funding Agreement and Other Relevant Documents

1. Financial oversight - the academy's governors and managers have the skills, knowledge and experience and bring these to bear.

Question	Yes / No / N/A	Justification/Evidence
1) Has the governing body appointed a head teacher to the academy who acts as an ex-officio governor? (AFH 1.11)	Yes	Denis Oliver is the Head Teacher who has been appointed and is an ex-officio governor
2) In managing the academy's finances has the governing body: <ul style="list-style-type: none"> Made sure that bank accounts, financial systems and financial records are operated by more than one person? Made sure that all the academy's property is under the control of the trustees? Kept full and accurate accounting records? Prepared accruals accounts giving a true and fair view of the academy's incoming resources and application of resources during the year and its state of affairs at the year end? (AFH 1.14)	Yes Yes Yes Non applicable	There are 6 different cheque signatories with different levels of set signing authority as approved by the Finance Committee. All the academy's property land and contents are now under the control of the trustees following the final land transfer and asset valuation on conversion to academy. The school has full and accurate accounting records, which are archived off site for a minimum period of 6 years. As converters on 1 September 2011 we have not yet had our first full accrual accounts as an independent organisation. These will be due following our first year end on 31 August 2012. Records of three years of accounts are held on site.
3) Do the governing body, and appropriate committees, meet at least once a term? (AFH 1.26)	Yes	The Academy has committees in Finance, Premises, Staffing and Curriculum, and Pastoral which meet 6 times per year in addition to Full Governors which meet 5 times per year min.
4) Is business conducted solely at governing body meetings that are quorate? (AFH 1.26)	Yes	All minutes reflect this.
5) Has the governing body appointed a clerk to the governing body, who is someone other than a governor or the head teacher of the academy? (AFH 1.27)	Yes	Roz Sunderland is a member of the school staff who is the currently appointed Clerk to the Governing Body
6) Does the academy have a sub committee focused on finance, which is able to advise and support the governing body? (AFH 1.31)	Yes	The Finance Committee meets 6 times per year in October, December, January, March, May and June.
7) Are there agreed terms of reference for the finance committee and any other committee of the governing body? (AFH 2.19)	Yes	The terms of reference for the Finance Committee were revisited and ratified in 2011.
8) Is there a written scheme of delegation approved by the governing body? (AFH 1.31)	Yes	Finance, Premises, Staffing and Curriculum, and Pastoral committees take items for discussion, which are then taken for discussion and approval at full governors. Where there are items of urgent business for discussion and action between pre-

Question	Yes / No / N/A	Justification/Evidence
		planned committee within these times, the Academy operates a "Chair's Action" group system which may convene at any time to take decisions. This group must include the Chair or Vice Chair of Governors, Chair of Finance and the Chair of the Committee to which the item would usually be taken within normal timescales. At any one time there must be 'three' Chairs present to enable an action to be legitimately taken.
<p>9) Is the academy's head teacher identified as accounting officer, who is appointed to be personally responsible to the governing body for:</p> <ul style="list-style-type: none"> • Ensuring regularity and propriety • Ensuring prudent and economical administration • Avoidance of waste and extravagance • Efficient and effective use of available resources • The day to day organisation, staffing, and management of the academy? <p style="text-align: right;">(AFH 2.5)</p>	Yes	The head teacher was appointed and identified as the Accounting officer at the time of conversion to academy
<p>10) Has the academy appointed as director of finance or equivalent, a person with sufficient knowledge and experience to guide the governing body on financial and administrative systems, audit, and charity accounting matters?</p> <p>The AFH recommends that this person should be a qualified CCAB accountant or equivalent with some experience in a senior position or a member of the AAT with significant relevant experience.</p> <p style="text-align: right;">(AFH 2.11)</p>	Yes	The academy has appointed a Strategic Business Manager who has sufficient knowledge and experience to guide the governing body on financial and administrative systems, audit, and charity accounting matters. This person is not a qualified CCAB accountant but has over 10 years extensive financial experience as a Chief Executive and business turnaround consultant in the health, education and charity sectors. The postholder also has over 8 years' experience as a Senior Charities Aid Foundation Consultant.
<p>11) Has the governing body appointed either one of its members (other than the chair of the governing body or a member of the finance committee) or an appropriately qualified and experienced individual not on the academy's staff as responsible officer?</p> <p style="text-align: right;">(AFH 2.15)</p>	Yes	In order to ensure due diligence in appointing the correct person the Academy has undertaken a robust process to source an appropriately qualified independent person. This person is a qualified accountant with over 10 years' experience as finance director of a national Charity.
<p>12) Has the responsible officer been appointed to provide the governing body and finance committee with on-going independent assurance that:</p> <ul style="list-style-type: none"> • The financial responsibilities of the governing body are being properly discharged • Resources are being managed in an efficient, economical and effective manner • Sound systems of internal control are being maintained • Financial considerations are fully taken into account in reaching decisions? <p style="text-align: right;">(AFH 2.13)</p>	Yes	The Responsible Officer has been fully briefed and received documentation regarding expectations, role and responsibilities. He has also been advised that during 2012-13 the YPLA will provide updated information and guidance on the role. The agreed criteria at the Finance Committee on 30 January 2012 were: to report on whether the financial responsibilities of the governing body are being properly discharged, if resources are being managed in an efficient, economical and effective manner, that sound systems of internal control are being maintained and that financial considerations are fully taken into account in reaching decisions.

Question	Yes / No / N/A	Justification/Evidence
13) Has the governing body or finance committee agreed a programme of checks to be performed by the responsible officer? (AFH 2.14)	Yes	The programme of checks was agreed at the academy Finance Committee on 30 January 2012.
14) Has the responsible officer provided the governing body, or finance committee, with a written report after each checking session? (AFH 2.14)	Non applicable	The first series of checks will be carried out in late February March after which a written report will be provided to the Finance committee on 19 March 2012. In early February, the Responsible officer will visit the school to familiarise himself with the school and undertake a basic induction.
15) Is the responsible officer able to show that the responsibilities being taken are sufficiently understood and the importance of the role is recognised? (AFH 2.15)	Non applicable	This assessment will happen after the first evaluation in late February.

1. Financial oversight (part A)	Proposed grade: Outstanding
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2. Financial planning - financial planning secures the academy's short and long term financial health

Question	Yes / No / N/A	Justification/Evidence
16) Has the governing body approved a balanced budget for the year to 31 August 2012 and was that budget submitted to the YPLA by 30 June 2011 or six weeks of receipt of the final funding letter, whichever is later? (AFH 1.7 bullets 3, 5)	Yes	The school converted on 1 September 2011. The transfer of surplus figure was received by the academy from the local authority on 1 December 2011. A balanced budget was approved at the December 2011 Finance Committee.
17) Is the academy proposing to budget for its expenditure in excess of expected income in any academic year? If yes, please explain the reasons for this. (AFH 4.5)	No	Non applicable. We always aim for a balanced budget and this to date has always been achieved.
18) Has the governing body, or finance committee, agreed procedures so that all significant in year amendments to budgets are properly notified to them for approval? (AFH 4.9 & 4.10)	Yes	There have been no significant in-year amendments. Should these be necessary the Chair of Governors and Chair of Finance are notified immediately and the recommendations and action taken forward for discussion, agreement and ratification at either the next Finance Committee or at a specially convened Chair's action group should the amendments require urgent action.
19) Has the academy taken out any borrowing? If so, did the academy secure the Secretary of State for Education's approval for the borrowing (through the YPLA)? (AFH 1.7 bullet 20)	No	Non applicable because we have had no need for additional borrowing.

2. Financial planning (part A)	Proposed grade: Outstanding
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3. Internal control - the academy has in place sound internal control and risk management over its operations

Question	Yes / No / N/A	Justification/Evidence
20) Is there a contingency and business continuity plan in place to deal with crises the academy may face? (AFH 1.37)	Yes	This is up to date. As the school became an Academy on 1 September 2011 the plan will be reviewed in 2012 to ensure effective contingency and business continuity planning as an independent legal entity.
21) Has the governing body ensured that the academy has adequate insurance cover to support its activities and to comply with statutory requirements? (AFH 1.7 bullet 14; 2.27)	Yes	The academy has a full suite of insurance cover taken out with MARSH insurance brokers from 1 September 2011. All policies comply with statutory requirements and include Advantage, Employers Liability, Public Liability, Legal Expenses, Computer Media & Business Interruption, Academies Travel & Personal Injury and Occasional Business Use.
22) Have there been any instances of suspected theft or fraud exceeding the sum specified in the academy's annual funding letter? If so, did the academy notify the Secretary of State for Education (through the YPLA)? (AFH 1.7 bullet 27)	No	Non applicable. There have not been any cases of suspected fraud.
23) Has the governing body explicitly approved the academy's accounting policies, as set out in the annual accounts? (AFH 1.7 bullet 7)	Yes	The governing body explicitly approve the school's accounting policies each year and will approve the first academy accounts after 31 August 2012.
24) Has the academy maintained proper and continuing accounting records throughout the year? (AFH 2.41)	Yes	Proper and continuing accounting records are maintained and regular reviews carried out to assess effectiveness. These processes are being revised in 2012 to ensure due diligence and best practice financial accountability and record keeping.
25) Has the academy appointed a registered auditor to audit the academies' annual financial statements? (AFH 1.7 bullet 11)	Yes	The registered auditor appointed in June 2011 is Jackson Stephen LLP, Chartered Accountants and Business Advisers, James House, Stonecross Business Park, Yew Tree Way, Warrington, Cheshire WA3 3JD. The first audit will be undertaken in Summer 2011.
26) Has the academy prepared annual financial statements to 31 August 2011 and have the financial statements been audited by the appointed auditor? (AFH 1.7 bullet 6)	Non applicable	The first academy financial statements will be prepared after 31 August 2012 as conversion on occurred on 1 September 2011.
27) Were the academy's audited financial statements for 2009/10 submitted to the YPLA by 31 December 2010? Are the 2010/11 audited financial statements likely to be finalised and submitted to the YPLA by 31 December 2011? (AFH 1.7 bullet 8)	Non applicable	N/A as the school converted to academy on 1 September 2011. The first audited financial statements likely to be finalised and submitted to the YPLA by 31 December 2011.
28) Were the academy's audited financial statements for 2009/10 published as required by the Companies Acts and filed with Companies House and the Charities Commission? (AFH 1.7 bullet 9)	Non applicable	This is N/A because the school only converted to academy status on 1 September 2011.

Question	Yes / No / N/A	Justification/Evidence
29) Do the academy's systems of internal control contain any fundamental weaknesses, as reported by the Responsible Officer and / or external auditor?	Non applicable	At present we are unaware of any fundamental weaknesses but we are currently undertaking an internal review of financial systems and processes in order to establish robust procedures across the board. The Responsible will file a full report following the first assessment and evaluation process in late February.
30) Has an internal financial regulations / procedures manual been drawn up? If yes, has the manual been approved by the governing body and made available to all staff? (AFH 2.35)	No	Until conversion to academy status on 1 September, the school followed the financial guidelines as stipulated by the local authority. The academy is currently compiling its own financial regulations/procedures manual for adoption and approval by the next full governors meeting in March 2012.

3. Internal control (part A)	Proposed grade: Satisfactory.
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4. Financial monitoring - governors and managers are kept well informed of the academy's current and forecast financial position.

Question	Yes / No / N/A	Justification/Evidence
31) Are financial reports received at least termly by the governing body and finance committee? (AFH 4.19)	Yes	Financial reports are received at the Finance committee 6 times and full governors 5 times per year
32) Are there appropriate procedures in place to monitor cash requirements and ensure that the academy will not become overdrawn? (Funding Agreement, para 86)	Yes	Regular monitoring of accounts and internal controls determining controls for requests for cash.
33) Has the academy: <ul style="list-style-type: none"> Entered into any guarantees, indemnities or letters of comfort? Written off debts or liabilities over the value specified in the academy's annual funding letter? Made any ex-gratia payments? Made any freehold sales or purchases? Granted or taken up any leasehold or tenancy agreement for more than three years? If so, was the Secretary of State for Education's approval sought (through the YPLA)? (AFH 1.7 bullets 22 to 26)	No No No No No	This is non applicable because we have not done any of the first four specified bulleted elements and any leasehold or tenancy agreements have never extended beyond three years.

4. Financial monitoring (part A)	Proposed grade: Satisfactory
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5. Proper and regular use of public funds - the academy can demonstrate that funds granted by Parliament have been used as intended.

Question	Yes / No / N/A	Justification/Evidence
34) Have governors spent the academy's income solely for the purposes set out in the academy's governing documents and with absolute fairness between persons qualified to benefit from the charity? (AFH 1.15)	Yes	Minutes of Finance committee and full Governors which clearly illustrate the spend according to the academy's educational purpose.
35) Could the academy demonstrate that no governor or employee has made use of public monies or official business for personal benefit? (AFH 1.16)	Yes	Register of interests, and paper trail of expenditure.
36) Have all governors completed a declaration of their business interests? (AFH 1.19)	Yes	Register of interests regularly updated
37) Where a governor or employee or related person has any interest, financial or otherwise, in a matter to be discussed at a governors' meeting has the governor or member of staff declared their interest and withdrawn from that part of the meeting? (AFH 1.20)	Yes	Recorded in Committee minutes where applicable.
38) Could the academy demonstrate that no governor has received any remuneration for their work as trustees, other than payment of all reasonable out of pocket travel, accommodation and other expenses? (AFH 1.23)	Yes	Yes we can demonstrate this via our financial records stretching back over 10 years.
39) Could the academy demonstrate that no governor holds any interest in property belonging to the academy? (AFH 1.24)	Yes	Academy deeds of covenant, legal property documentation
40) Could the academy demonstrate that no governor receives any remuneration in respect of any contract to which the governor is a party? (AFH 1.24, <i>excepting payments under 1.25</i>)	Yes	Records of financial transactions
41) Does the governing body demonstrate the proper and effective use of public funds through the achievement of: <ul style="list-style-type: none"> • Probity, that all parties are dealt with fairly and equitably and that there is no private gain, favouritism or conniption involved in any of the dealings of the governing body • Accountability, that the governing body is publicly accountable for its expenditure and for the conduct of its affairs • Value for money, achieved by economy, efficiency and effectiveness in purchasing? (AFH 2.58)	Yes Yes Yes	All decisions are discussed and recommended by Committee and ratified by full Governors following robust discussion. No favouritism is shown to any party. Where conflict of interest may arise the party concerned always leaves the room for that agenda item. The Academy is in the process of reviewing existing and establishing new policies and procedures to ensure the tangible demonstration of accountability and value for money achieved by economy, efficiency and effectiveness in purchasing.
42) Has the governing body established a competitive tendering policy for larger purchases and can evidence compliance with its policy? (AFH 2.61)	Yes	The academy has adopted the one recommended by the local authority and has a file on procurement activities to illustrate process of selection from start to finish.
43) Have there been any times when the competitive tendering policy could not	No	

Question	Yes / No / N/A	Justification/Evidence
<p>be followed because there is a sole provider for a certain service? If so, has the academy:</p> <ul style="list-style-type: none"> • Demonstrated and evidenced that there is a sole provider; and • Applied and evidenced alternative tests to ensure that value for money is obtained? <p>(AFH 2.63)</p>		To date we have always followed our tendering policy and have not as yet come across a situation where there is only a sole provider for a certain service.
<p>44) Has the governing body procured any goods or services from a supplier in whom one of the governors or a member of staff or a related person has a business interest? If so: Did the governing body ensure that the procurement process is competitive, fair and open to protect public funds? Did the governor or member of staff declare their interest and withdraw from any part of the selection process?</p> <p>(AFH 2.65)</p>	No	We have never procured any goods or services from a supplier with whom any governor or member of staff or related person has a business interest?
<p>45) Where a governor or related person has a financial interest in a business exceeding limits that may be specified in the academy's memorandum or articles of association, has the academy not entered into any contract or arrangement with that business?</p> <p>(AFH 1.21, 2.65)</p>	Non applicable	N/A – this situation has never arisen.
<p>46) Have the academy sponsors provided paid services to the academy? If so, are these services subject to competitive tendering procedures?</p>	Non applicable	N/A – we do not have an academy sponsor as we are an outstanding Ofsted school and selected to convert to academy.
<p>47) Has the academy disposed of any asset for which grant of over £20,000 was made, or where land and buildings had been transferred from the local authority at no cost to the academy? If so, did the academy obtain the secretary of state for education's consent (through the YPLA)?</p> <p>(AFH 2.84 bullet 9)</p>	No	N/A – no we have never disposed of any asset for which a grant of over £20000 was made or where land had been transferred at no cost from the local authority. We only converted on 1 September 2011.
<p>48) Has the academy disposed of items that collectively originally attracted grant of more than £20,000? If so did it inform the YPLA?</p> <p>(AFH 2.87)</p>	Non applicable	N/A – we have not disposed of any items which collectively attracted a grant of more than £20000
<p>49) Has the academy sold any asset for which capital grant was received? If yes, did the academy reinvest all proceeds from the asset sale? Where proceeds were not all reinvested, did the academy repay the YPLA the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the secretary of state?</p> <p>(AFH 2.88)</p>	No	N/A – we have never sold any asset for which capital grant was received.
<p>5. Proper and regular use of public funds (part A)</p>		<p>Proposed grade: Good</p>

Part B: Key Elements of Financial Management and Governance

1. Financial oversight - the academy's governors and managers have the skills, knowledge and experience and bring these to bear.

Section 1: Governors' oversight

Question	Evidence
1) Describe the financial experience, qualifications, and skills available to the governing body and its committees that allow governors to collectively discharge their responsibilities for overseeing financial management and control activities effectively.	Two Governors have accountancy qualifications one is a practicing accountant and business advisor.
2) Describe how governors review their own effectiveness in overseeing the academy's financial performance, and the soundness of its internal control.	<p>At present the governors review their own effectiveness in overseeing the academy's financial performance through a number of criteria including achieving a balanced budget year on year and achieving financial targets,</p> <p>They also assess financial risk through robust process prior to entering into procurement exercises, managing contracts through stated criteria, ensuring compliance with external financial regulations, checking progress of capital projects with requests for status reports, monitoring outcomes against financial objectives and comparing performance with other schools.</p> <p>They benchmark the achievements of the school in terms of best value and cost against other similar schools. The governors ensure soundness of internal control through employing systems and procedures including budget setting in line with strategic priorities before the beginning of the financial year and as soon as possible thereafter to check progress.</p> <p>Regular reports are requested on the school's financial position throughout the year and questions asked as to whether they feel Senior Leadership have adequately answered questions posed.</p> <p>A further way the governors intend to monitor progress is by taking appropriate action following the first external audit in summer 2012 since converting to academy status. Governors also undertake regular training sessions in areas such as financial planning and management and are currently preparing for a session covering accounting now the school has converted to academy status.</p>

Question	Evidence
	<p>The Governors are committed to achieving Best Value in all decisions and in their performance. They regularly review the functions of the school, challenging how and why services are provided and setting targets and performance indicators for improvement. They monitor outcomes and consult appropriate stakeholders before major decisions are made.</p>
<p>3) Where significant financial management and internal control decisions are made by the governing body or its committees, how do governors with specific financial and / or assurance qualifications, skills, and experience contribute to these decisions?</p>	<p>Where significant financial management and internal control decisions are required, Governors with specific expertise are involved in the process and encouraged to offer advice and, in some cases, model best practice from which recommendations are derived.</p> <p>The process and recommendations are then discussed and interrogated at the next Finance Committee. These recommendations are then revisited and if necessary further discussed at full governors prior to a final decision being taken.</p>
<p>4) Are all of the deliberations and decisions of governors at the governing body, in committee, or elsewhere properly and fully recorded in written minutes that are approved by the governing body, appropriate committee, or other delegation to governors?</p>	<p>Yes, all deliberations and decisions of Governors at the full governing body, in committee, or elsewhere properly and fully recorded in written minutes that are approved by the governing body,</p>
<p>5) How is the governing body informed of the work of the committees?</p>	<p>Minutes of all committee meetings distributed to all governors.</p>
<p>6) Has the governing body approved terms of reference for every committee?</p>	<p>Yes – all are up to date as of 2011.</p>
<p>7) Are there any vacancies on the governing body or any of its committees? If so, are there plans in place to fill these vacancies?</p>	<p>There is currently a vacancy (as at January 2012) for one Parent Governor. Immediate action has been taken to advertise the vacancy to all parents via the school website and newsletter to secure nominations and an appointment for this position as soon as possible.</p>
<p>8) Are all committees of the governing body chaired by a governor?</p>	<p>Yes. All committees are Chaired by either a community or parent governor.</p>
<p>9) Are governors in the majority on all committees?</p>	<p>Yes and governors can attend any committees they so desire.</p>

Question	Evidence
<p>10) Is there adequate succession planning in place to ensure that the membership of the governing body and relevant committees includes appropriate financial management and control experience and expertise at all times?</p>	<p>Yes there are currently two qualified accountants on the Finance Committee and several others with business management experience.</p> <p>Should either of the Governors who are accountancy qualified indicate their intention to leave the Board a process would be invoked to target a replacement with similar experience and expertise.</p> <p>The academy has just launched a project to compile a database of parent/carer volunteers with particular skills who may wish to use their skills and expertise to help the school.</p> <p>This database will also be used to target potential parent or community governors who have particular financial management skills and experience.</p>
<p>11) Has the governing body defined in writing its role, that of its committees, the Responsible Officer, the head teacher as accounting officer, and other Staff?</p>	<p>Yes – via policy documents, minutes, governance documents, job descriptions and person specifications</p>
<p>12) Have governors established a formal schedule of matters reserved for their decision?</p>	<p>Yes. Governors have responsibility for the overall management of the Academy Trust within a framework of prudent and effective controls.</p> <p>They set and approve the Academy strategic plan and ensure that the necessary financial and human resources are in place for the Academy to meet its objectives and review management performance.</p> <p>Amongst many other things, the governors have oversight of the school's operations, ensuring:</p> <ul style="list-style-type: none"> • Competent and prudent management • Sound planning • Adequate systems of internal control • Adequate accounting and other records • Compliance with statutory and regulatory obligations • Effective capital building planning and processes • Robust risk management and disaster recovery policies

Question	Evidence
	<p>The governors also:</p> <ul style="list-style-type: none"> • Manage the school budget, consider the annual budget plan, approve the budget and any proposed revisions to the plan • Decide how to spend the budget and whether to delegate powers to the head to spend the budget; • Determine the staff compliment and pay policy in accordance with Teachers Pay and conditions • Establish the written performance management policy to govern staff appraisal following consultation with staff • Determine virement and expenditure thresholds
<p>13) Do role definitions state the respective responsibilities of the governing body and staff, limits of delegated authority, and channels for reporting?</p>	<p>Yes via policy documents, minutes and governance documents</p>
<p>14) Does the governing body take advice from internal and external financial management and control experts, when the complexity of the issues being considered require it?</p>	<p>Yes. When necessary the governing body will take advisement from external financial critical friends to the schools including local accountants or other credible business sources to ensure financial management and control due diligence.</p> <p>These experts do not usually have any contact with the school or have children in the academy and are often outside the community to ensure impartiality and therefore transparent due diligence.</p>
<p>15) Where there is no audit committee, how does the governing body ensure sufficient focus on assurance, for example, by incorporating the responsibilities of an audit committee into the terms of reference of the finance committee?</p>	<p>The governing body incorporates the responsibilities of an audit committee within the existing finance committee. It has also taken the recent decision to appoint an internal 'Academy Assurance Officer'.</p> <p>This postholder will have financial experience and establish robust policies, procedures and processes, oversee assurance for the academy and report regularly to the Finance Committee.</p>
<p>16) Does the finance committee membership include a CCAB qualified accountant?</p> <p>If not, are there suitably experienced members of the committee with an appropriate financial background? Please give details.</p>	<p>Yes – the Chair of finance and a second Governor are both qualified accountants.</p>

Question	Evidence
17) Is the appointment of external auditors for one year subject to formal reappointment at the discretion of the governing body?	Yes. The governors appointed a company called Jackson Stephen as the external auditors in June 2011. Their appointment is subject to the formal reappointment each year.
18) How does the governing body formally assess the performance of the academy's external auditors (ideally at least every five years?)	<p>The governing body will formally assess the performance of the external auditors by measuring if they:</p> <ol style="list-style-type: none"> 1) Provide proactive and practical advice. 2) Meet agreed timescales in an efficient and professional manner. 3) Offer clear demonstrable understanding of the Academy and its key risks. 4) Provide regular technical updates. 5) Comply with agreed service standards 6) Meet external professional body auditing performance criteria.
19) Are the overall trends upwards for: <ul style="list-style-type: none"> • learner retention; • learner achievement; and • success rates? 	<p>Yes</p> <p>Yes</p> <p>Yes at GCSE, no at A level currently but not declining either</p>
20) What is the process for escalation to, and consideration by, the governing body of instances where pupil numbers fall below forecast? Where available in the last eighteen months, give an example of where pupil numbers were below forecast and how the governing body was made aware of the shortfall and considered this.	<p>The academy has a Curriculum Sketch based on projected numbers compiled to give staffing levels. Places offered and accepted monitored. If numbers fall below those anticipated, the curriculum sketch is adjusted to reflect less teaching groups.</p> <p>Staffing levels would be adjusted if necessary and reductions made by non-renewal of temporary posts. This has not been necessary in the last 18 months.</p>
21) Where the academy is forecasting a deficit for the current academic year, how have governors addressed this?	Non applicable. The academy is not forecasting a deficit.
22) How is the governing body made aware of the academy's investment of resources to serve learners, for example, accommodation (capital and maintenance), staff development, and IT? Describe how the governing body can determine if this investment is adequate.	The Academy has committees in Finance, Premises, Staffing and Curriculum and Pastoral plus Full Governors. The Governing body are always made aware of the academy's investment of resources to serve learners, for example in areas including site developments (capital and maintenance), staff development, and IT.

Question	Evidence
	<p>The head teacher produces a report for each full governors meeting containing details of resource investments. Where there are specialist requirements individual staff make presentations to committees e.g. IT Network manager presenting to Premises committee about the need to upgrade the academy CCTV network for safeguarding and school protection purposes.</p> <p>Governors are encouraged to make suggestions about and voice opinions on areas they would like more information on with respect to resource investment.</p>
23) How did the governing body consider the most recent increases in senior management team (SMT) remuneration, in light of the academy's overall performance?	Each member of SMT is subject to a rigorous annual performance management review based on job description and personal objectives. These objectives cascade from the academy's overall strategic education objectives and carry tangible interim monitoring mechanisms and key performance indicators for achievement.
24) Has the academy clearly defined and documented procedures for identifying and collecting income due and for valuing gifts in kind and donated services and facilities?	Yes. These are officially documented and logged with records held in the Finance office..
25) Has the governing body set a capitalisation limit for assets?	The governing body is in the process of setting a capitalisation limit for assets in discussion with the academy accountants. As a new convertor academy the first set of officially audited accounts will not be produced until after 31 August 2012 by which time a robust policy will then be in place.
26) Has the governing body established a policy for the disposal of assets that ensures the best possible value is obtained from the disposal?	<p>Yes. Documentation for the disposal of surplus/obsolete items is managed by the head teacher, delegated to the Business Manager. The Asset Register is regularly updated and surplus and obsolete items are recorded in a logbook and kept in the safe in the Finance office.</p> <p>The Head teacher authorises all write-offs. Approval must be sought from the governing body for items above £1000 for write offs or sale. Senior management team discuss the proposed sale where the value is up to £250 to ensure the best possible value from the disposal.</p>
27) Please describe any other controls in existence in this section that, while not mentioned above, are relevant to the self-assessment.	None to add

Section 2: Management oversight

Question	Evidence
<p>1) Describe the financial qualifications or experience held, and the training undertaken, by those staff with financial management responsibilities, such as the head teacher, director of finance, senior managers and operational budget holders.</p>	<p>The Head teacher has over 16 years experience as a head teacher and has been responsible for the financial management of 4 schools during this time. The Strategic Business Manager (SBM) has extensive business and financial knowledge and experience.</p> <p>Although not a qualified CCAB accountant the postholder has over 10 years financial experience as a Chief Executive and business turnaround consultant in the health, education and charity sectors. The SBM undertakes termly one to one finance sessions with operational budget holders to facilitate ease of understanding of budget management and ready access to support where required.</p> <p>Finance office postholders are not qualified CCAB accountants but have over 10 years financial experience derived from the banking sector. As part of CPD one is about to embark on training to obtain a recognised accountancy qualification.</p>
<p>2) How does the senior management team exercise effective oversight of the academy's operations and finances, suitably informed by relevant and timely financial management information and evidence of the operation of internal control?</p>	<p>The SBM is a member of the academy core leadership team of four, which meets twice weekly and comprises the postholder, Head teacher and two Deputy heads.</p> <p>The team assess the academy finances on a bi monthly basis and the SBM explains various financial practices within the academy to achieve better understanding from senior colleagues e.g. 'full cost recovery' project management.</p>
<p>3) What resources do the finance and IT functions have to enable them to fulfil their duties as set out in the academies' financial handbook as expressed in the academy's financial regulations?</p> <p>Does all the evidence available to managers suggest these two functions are fulfilling their duties properly?</p>	<p>There is a dedicated, secure finance office where all data, records, order forms, petty cash, and other assets are kept. The academy recently upgraded all the finance office computers and installed SAGE professional accounting package.</p> <p>All work is regularly backed up and copy records stored securely off site. The academy has an outsourced payroll service. The finance office is in the process of reviewing all forms e.g. purchase orders to streamline the system and facilitate easily accessible ordering with accountability mechanisms built in.</p>

Question	Evidence
	<p>There are hard copies and online versions of the order form for staff and a system for submitting orders and making other payments e.g. cards.</p> <p>The academy has a robust back up procedure where key data from the Finance computer hard disks are stored offsite in a separate, secure, fireproof location. Passwords are used to restrict access to financial computer hardware and software to authorised users and changed regularly.</p> <p>A Disaster Recovery Plan is also in place to ensure the academy has a contingency plan in the event of loss of accounting facilities or other key financial data.</p>
4) Please describe any other controls in existence in this section that, while not mentioned above, are relevant to the self-assessment.	None to add

1. Financial oversight (part B)	Proposed grade: Good
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2. Financial planning - financial planning secures the academy's short and long term financial health

Section 1: Long-term financial planning

Question	Evidence
1) Describe how the academy goes about formulating and approving its longer term financial plans, beyond the current and next academic years.	<p>The academy ensures that all activities within the organisation carry with them measurable monitoring mechanisms and key performance indicators. Extended leadership team of the Head, Strategic business Manager, Deputy heads, Assistant Heads and Heads of Faculty meet weekly to discuss short and long term plans against aspirations.</p> <p>Plans are prioritised according to strategic necessity and budget requirements together with a short and long term view on market conditions and opportunities for funding.</p> <p>Internal SWOT analyses are carried out at least twice per year at senior and Departmental levels and plans are taken to Governors for consultation and discussion to formulate strategic objectives against factors including geodemographics, political and economic trends.</p>

<p>2) Describe the extent to which the longer term financial plan takes account of future uncertainties and there potential financial impact, including the use of sensitivity analysis.</p> <p>Are these reflected in the academy's risk register?</p>	<p>A SWOT analysis is undertaken at least twice per year and plans are taken to Governors for consultation and discussion to formulate strategic objectives against factors including geodemographics, political and economic trends. Internal Strengths and Weaknesses are finely balanced against External uncontrollable Opportunities and threats covering the political, social, legal, economic and technological landscape in addition to benchmarking against competing schools. Sensitivity analysis is also utilised and the outcomes recorded in the academy's risk register.</p>
<p>3) How did the academy's last full academic year outturn compare with the original budget? If significantly different, how did governors and managers review and respond to this difference?</p>	<p>The school was not an academy until 1 September 2011 so this year's financial plans have been governed by a 5/12 and 7/12 budget until the academy begins its first full year on 1 September 2012. In the last academic year under local authority control, the outturn compared favourably with the original budget and a balanced position was achieved. It was not significantly different therefore governors and managers did not need to respond to any difference.</p>
<p>4) Has a longer term financial plan (three years or more) been prepared in accordance with instructions and timetable approved by the governing body?</p>	<p>Not as yet. With the 18 month planning and financial cycle given the 1 September 2011 conversion date the governing body has at present increased the number of finance committee meetings to closely monitor this transitional period. Following this period, the governing body will focus on a longer term financial plan dovetailing with the production of a new strategic plan.</p>
<p>5) Does the first year of the longer term financial plan correspond to the annual budget for the forthcoming financial year?</p>	<p>It is anticipated that the longer term financial plan will dovetail with existing plans running from 1 September 2012.</p>
<p>6) How does the longer term financial plan demonstrate that the governing body will meet its responsibilities to ensure the:</p> <p>a. Effective and efficient use of resources b. Solvency of the academy c. Safeguarding of its assets?</p>	<p>This is non applicable at the moment but the governing body will meet its responsibilities to ensure effective and efficient use of resources, academy solvency and safeguarding of its assets using robust processes as have worked in the past including? Amongst many other things, the governors have oversight of the school's operations, ensuring</p> <ul style="list-style-type: none"> • Competent and prudent management • Sound planning • Adequate systems of internal control • Adequate accounting and other records • Compliance with statutory and regulatory obligations • Effective capital building planning and processes

	<ul style="list-style-type: none"> • Robust risk management and disaster recovery policies • Effective overseeing of the school budget and close consideration of the annual budget plan • Determination of virement and expenditure thresholds.
7) Where applicable, have the long term financial plans developed in the last three years proved to be reasonably accurate and, where they were not, what action did governors & management take?	This is non applicable because the school has been under local authority control where only a 1 year budget was allowed.
8) Has the academy set a policy on how it manages and invests cash balances? If not, how is risk and return assessed?	<p>The school has not as yet set a policy on how it manages and invests cash because until 31 August 2011 the school was under local authority control. Surplus budget funds were subject to claw back therefore risk and return were never assessed.</p> <p>The academy is currently reviewing all its financial policies and procedures and producing a new financial handbook which complies with the Academies Financial Handbook/Accounts Direction.</p>
9) Please describe any other controls in existence in this section that, while not mentioned above, are relevant to the self-assessment.	None to add

Section 2: Short-term financial planning

Question	Evidence
1) Describe how academy management sets the annual budget for governing body approval then monitors progress against it during the year, taking corrective action where needed.	<p>The academy will set its budget for the forthcoming year in February 2012. The indicative budget for 1 September to 31 August will be prepared by the 15 February 2012 and the final budget submitted to the Department by 30 June 2012.</p> <p>The governing body are currently in the process this week of setting the procedure and timetable for the setting of the budget.</p>
2) Has a written procedure, and timetable, been established for setting a budget in advance of each academic year?	<p>Yes. In the past the budget has been asset in the New Year as the financial year ran from 1 April – 31 March. The academy accounting year is now 1 September – 31 August each year.</p> <p>The academy will be setting its budget for the forthcoming year in February 2012. Unless otherwise notified, in line with the Academies Financial Handbook, the indicative budget for 1 September to 31 August will be prepared by the 15 February 2012.</p> <p>The final budget for the coming financial year will be submitted to the Department by the preceding 30 June. The governing body are currently in the process this week of setting the procedure and timetable for the setting of the budget.</p>
3) Is the preparation of the current academic year budget underpinned by documented assumptions that have proved realistic in the past?	<p>Yes. Assumptions are made to assess and cater for any incremental drift or other known factors. A financial risk assessment is also undertaken. Outline budget plans are initially derived from the education development plan which clearly states the academy's educational priorities.</p>
4) Describe the key financial performance indicators included in the current academic budget, and how progress is monitored against them.	<p>The key financial performance indicators include the delivery of a balanced budget, clear evidence of best value especially when procuring services, the delivery of tangible cost efficiencies and productivity gains leading to enhanced learner benefits and an improved student experience.</p>

Question	Evidence
	<p>Projects are devised, developed and delivered on a full cost recovery basis in order to assess unit cost value against all activities. Progress is measured therefore on unit cost, nature and quality of benefits delivered and timely delivery against agreed budgetary targets.</p>
<p>5) Describe any recent examples of deteriorating performance within the current year against these indicators and how the governors and managers addressed these. Were the actions effective in improving performance?</p>	<p>There are no examples in the current year of deteriorating performance. This is despite the fact that the school is in a state of transition and consolidation as an academy.</p>
<p>6) Before the budget was set, had a need for staff restructuring been recognised? If so, has this been undertaken?</p>	<p>Prior to conversion a need to restructure the support services team was identified. This was deferred until the academy converted on 1 September 2011.</p> <p>The review started in October 2011 and is now well underway with sufficient time for research, informal and formal consultation. Planned implementation of the revised structure is to take effect from 1 September 2012.</p>
<p>7) Are separate budgets prepared for significant projects, commercial ventures and capital expenditure? Are these budgets approved by governors?</p>	<p>Separate budgets are prepared for significant projects and capital expenditure on a full cost recovery basis to assess best value for money and ensure that true costs are known. All such budgets are initially approved by governors.</p> <p>The implementation is led by the senior management team with regular update reporting to the appropriate committees for the duration of the project..</p>
<p>8) Identify any significant unexpected events with financial impact that occurred during the last twelve months. How did the academy deal with these in revising its budget if necessary?</p>	<p>There have been no significant unexpected events with financial impact during the last 12 months.</p>
<p>9) If the current academic year's budget has proved to be unrealistic, what action was taken to revise the budget?</p> <p>Did the governors express any concerns about the revisions made and request further information and/or action?</p>	<p>The current academic year's budget is not unrealistic so no remedial action has been required.</p>
<p>10) How are sensitivities and risks, including those relating to cash flow, assessed in the budget setting process?</p>	<p>Assumptions are made to assess and cater for any incremental drift or other known factors. A projected retention is built into particular areas of the cash flow analysis where significant levels of risk are highlighted.</p>

Question	Evidence
	A financial risk assessment is undertaken during the budget setting process and contingency made.
11) Has the governing body authorised appointments or changes to terms and conditions of staff?	The governing body has authorised appointments resolves whether or not to fill vacancies and delegates a panel of governors for appointments. The governing body does not authorise changes to terms and conditions. Until 1 September 2011 the school was under local authority control and therefore adhered to local authority HR. policies and procedures.
12) Please describe any other controls in existence in this section that, while not mentioned above, are relevant to the self-assessment.	None to add

2. Financial planning (part B)	Proposed grade: Good
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3. Internal control - the academy has in place sound internal control and risk management over its operations

Section 1: Risk management

Question	Evidence
1) Describe how academy management and governors identify, assess, and mitigate risk both for the academy as a whole and its operations.	The academy has a suite of policies enabling comprehensive identification, assessment, and mitigation of risk. There are policies covering health and safety and a financial risk assessment is undertaken during the budget setting process. Where necessary, contingencies are made. During the planning stage the governors undertake a paper based exercise to determine the major risks to the academy, the likelihood of risks materialising and different levels, potential impact the systems and processes which have been or need to be put in place to mitigate and monitor the risks.
2) Describe how risk management arrangements are embedded throughout the academy.	Risk management arrangements are embedded throughout the academy being placed within individual job descriptions, departmental and faculty plans and the overarching school plan. The school plan has embedded

	<p>objectives referring to risk assessment with relevant paper trails for robust management and documentation of risk.</p> <p>The risk management process is practically progressed via different levels throughout the school and determined and differentiated by specialisms eg. Physical Education, Design and Technology. From governance to operational management, risk processes are effectively embedded throughout the organisation</p>
3) Describe the current set of top risks the academy faces and the actions it has in place to mitigate these. Are these actions proving effective?	<p>The top risk facing the academy currently is most likely to surround 'cultural change' due to the huge transitional nature of moving from a local authority school to one with greater freedoms and financial independence. The second and third risks are economic and environmental given that the academy is master of its own destiny and must now formulate plans to ensure it can sustain the physical buildings and retain the outstanding teaching status.</p> <p>The academy has increased the number of Governor finance meetings to monthly to more closely monitor finances and has also begun to disseminate information more frequently and with tangible outcomes to measure progress. The finances are on track with a healthy outturn predicted and although slow the cultural change processes are slowly being embedded from senior leadership through all the teaching and support staff.</p> <p>The actions are proving effective albeit slowly but the academy did not anticipate swift acceptance of change. All is currently operating according to plan with regular reports being taken to each governing body committee and full governors meetings and actions being agreed and implemented at operational level.</p>
4) Has the governing body approved a risk management policy?	<p>Yes. The governing body has an approved risk management policy which is revisited at least once per academic year to assess risk in the various categories including the political, social, economic, technological, legal and environmental arenas.</p> <p>Internal strengths and weaknesses are also assessed in terms of the academy's people processes, policies, physical evidence and promotional activities. This policy is due to be revisited in the light of the recent academy conversion to ensure relevance and robustness.</p>

<p>5) Is there a risk register in place, which is subject to regular review and made available to all staff?</p> <p>If yes, describe how governors and managers review the risk register.</p>	<p>Yes a risk register exists which closely monitors strategic, reputational, financial, operational and compliance risks within the school. This register is subject to annual review and is available to all members of staff.</p> <p>This process is currently being revisited in the light of the recent academy conversion to ensure continued relevance and robustness.</p>
<p>6) Does the risk register have named individuals assigned to manage each area?</p>	<p>There are specific areas where risk assessments are required and depending on the discipline or operational school area these responsibilities are devolved to the appropriate members of staff e.g. site Health and safety – Facilities Manager; Science Dept – Faculty head of Science; Physical Education – Faculty Head of PE.</p>
<p>7) When did the Responsible Officer and external auditors last review the academy's risk management processes?</p> <p>How effective did these reviews consider the academy's risk management to be?</p>	<p>N/A – converted on 1 September 2011 so not yet at this stage. This will occur during the spring term</p>
<p>8) Did the Responsible Officer or external auditors make any recommendations on the academy's risk management processes? Have they been implemented?</p>	<p>N/A - A – converted on 1 September 2011 so not yet at this stage. This will occur during the spring term</p>
<p>9) Please describe any other controls in existence in this section that, while not mentioned above, are relevant to the self-assessment.</p>	<p>None to add</p>
<p>10) Does the academy's insurance cover include:</p> <ul style="list-style-type: none"> a. Buildings and contents in accordance with either normal practice or under the terms of any leases held by the academy b. Cover against the key causes of damage or disruption in AFH 1.7 bullets 15 and 16 c. Employer and public liability cover against the governors responsibility for injuries and illness of staff or third parties, or damage to third party property d. Statutory cover for vehicles operated by the academy e. Any other key risks the academy has identified? <p>Please set out any cover that is for a lower value of claim than those listed in the AFH.</p>	<p>Yes. The academy insurance comprehensively covers buildings and contents, business damage and disruption, employer and public liability, vehicles and other key identified risks.</p> <p>The academy has public liability, employers liability and professional indemnity insurance. It also has other policies including Advantage £ 32,544.81, Excess Employers Liability £ 226.80, Excess Public Liability £ 2,206.60, Legal Expenses £ 2,132.80, Computer Media & Business Interruption £ 129.00, Academies Travel & Personal Injury £ 1,564.02 and Occasional Business Use £ 191.04</p>

Section 2: Internal control

Question	Evidence
<p>1) How do governors ensure that the academy has effective systems of internal control?</p>	<p>The academy converted on 1 September 2011 and has just begun to compare the Academies Financial Handbook and Accounts Direction with the tried and tested FMSIS (Financial Management Standard in Schools.)</p> <p>As FMSIS worked extremely well as a local authority school with excellent measurable controls on place the Governing body and Senior Management team are now looking to combine the best practice internal controls from both and to create a bespoke, robust and accountable financial procedures manual for the academy.</p> <p>This manual will form the basis for one mechanism for control from which the governors will interrogate the detail of policies and actions at committees including Premises, Finance, Pastoral and Staffing and Curriculum. Full governors will act as the control and final check point.</p>
<p>2) Has the governing body considered its financial arrangements against the key standards for financial administration at AFH 2.1?</p>	<p>Not yet. This is currently a work in progress. The finance committee will be interrogating the standards demanded by the financial arrangements for the key standards across the areas of Responsibilities, Organisation, Control Principles, Accounting System, Cash and Banking, Payroll, Purchases, Income, Assets and Computer Systems.</p> <p>This process will be led by the Strategic Business Manager and taken to Finance Committee in the coming months.</p>
<p>3) Describe the action taken to address any significant or fundamental control weaknesses that have been identified by the responsible officer, or the external auditors. Was the action effective?</p>	<p>N/A – as the academy converted on 1 September 2011 the first audit will be in summer 2012.</p>
<p>4) Have the external auditors been able to certify the academy's financial statements in accordance with established timescales, without the need to make significant adjustments to the draft version presented?</p> <p>Any delayed signing by the governing body of the financial statements should be identified here. Please specify the reasons for this.</p>	<p>N/A – as the academy converted on 1 September 2011 the first audit will be in summer 2012.</p>
<p>5) Is the planned audit programme of the Responsible Officer, and the external auditor, agreed in advance with the governing body on the advice of either the finance committee, or the audit committee, where the latter is in place?</p>	<p>Not as yet. The Responsible Officer is in the process of being appointed. Once in place the planned audit programme of the RO and external auditor, will be agreed in advance with the Finance Committee and governing body during the spring term.</p>

Question	Evidence
<p>6) Does the programme of the Responsible Officer cover the general areas for review:</p> <ul style="list-style-type: none"> a. Review of monthly bank reconciliations b. Review of monthly payroll c. Check of a sample of orders to delivery notes and invoices d. Check of a sample of payments to invoices, orders and delivery notes e. Review of a sample of expense claims f. Review of returns to the YPLA g. Spot checks of petty cash h. Review all major contracts and ensure formal tendering procedures exist and are being adhered to? 	<p>Yes. This will happen when the Responsible Officer undertakes the first assessment and evaluation in the spring term.</p>
<p>7) How does the governing body ensure that the financial regulations / procedures in place within the academy are being complied with?</p>	<p>As FMSIS worked extremely well as a local authority school with excellent measurable controls on place the Governing body and Senior Management team are now looking to combine the best practice internal controls from both and to create a bespoke, robust and accountable financial procedures manual for the academy.</p> <p>This manual will form the basis for one mechanism for control from which the governors will interrogate the detail of policies and actions.</p>
<p>8) Does the academy have a whistle-blower policy which is readily available to all staff? Describe any incidents of whistle-blowing within the last twelve months. What action was taken on them?</p>	<p>Yes. A robust whistleblowing policy exists. There have been no incidents of whistleblowing within the last 12 months</p>
<p>9) Does the academy have a fraud policy which is readily available to all staff? Describe any frauds against the academy in the last 12 months. What action was taken?</p>	<p>There have been no incidences of fraud and the academy does not have an official fraud policy in place at present. As a local authority school under 1 September 2011 the school complies with Cheshire East Borough Council fraud policy. In the light of this new independence, all academy policies and procedure are currently being reviewed and revised to ensure relevance, measurable impact and ease of understanding.</p>
<p>10) Is there a senior manager in the academy who is responsible for monitoring receipt of sponsorship pledges and following up any non-receipt?</p>	<p>Yes – at present receipt of sponsorship pledges falls to several senior managers depending on the nature of the pledge. This policy now requires discussion, clarification and identification of a central senior manager. This is a further development to occur within the next few months.</p>

Question	Evidence
11) Is an accounting software package with an integrated general ledger system being used?	Yes – Sage 50 Professional
12) Where there is an external payroll provider, is there a signed service level agreement in place with a detailed specification of the services to be provided?	Yes a three year contract has been agreed with Cheshire Shared Services to provide the outsourced payroll service for the academy.
13) How is the payroll authorised by a senior manager for payment after checking?	Payroll is authorised by the Strategic Business Manager following joint checking and interrogation by the Admin officer (Finance) and Personnel manager. Any queries are dealt with through communications between Cheshire Shared Services and the Admin officer (Finance) and Personnel manager.
14) Have arrangements been made to ensure that any grants paid for specific purposes or other restricted income is ring fenced from the other funds of the academy?	Yes – with the new accounts package in place and need to comply with accounting procedures, grants paid for specific purposes or other restricted income are ring fenced from the other funds of the academy.
15) Please describe any other controls in existence in this section that, while not mentioned above, are relevant to the self-assessment.	None to add

3. Internal control (part B)	Proposed grade: Satisfactory
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4. Financial monitoring - governors and managers are kept well informed of the academy's current and forecast financial position.

Question	Evidence
1) Does each meeting of the governing body consider: <ul style="list-style-type: none"> a. A report of the financial position of the academy, including its income and expenditure and financial commitments against its agreed budget b. Whether adequate financial monitoring of the academy's budget and activities is being undertaken c. Progress on any action identified to improve financial arrangements at the academy d. Significant contracts proposed to be entered into the academy e. Details of any significant matters affecting the academy's staff f. Details of any significant matters affecting the pupil's welfare or education 	<p>Yes via the Chair of 'Finance' Committee report.</p> <p>Yes via the Chair of 'Finance' Committee report.</p> <p>Yes via the Chair of 'Finance' Committee Report</p> <p>Yes where applicable</p> <p>Yes via the Chair of Staffing and Curriculum</p> <p>Yes via either the Chair of 'Staffing and Curriculum' Committee or Chair of 'Pastoral' Committee report</p>

Question	Evidence
g.Details of any significant matters affecting the academy's assets.	Yes via the Chair of Finance Committee Report or Chair of Premises Committee report.
2) Have governors established an annual plan for their meetings?	Yes
3) Describe the timelines and content of financial reports governors received over the last twelve months dealing with the academy's ongoing business and specific financial matters outside this.	
4) Do financial reports always include accurate, reliable and up-to-date management accounts, budget holder reports, and reports on resource usage and income indicators, for example, staff costs as a percentage of income, staff utilisation and space utilisation? If there were any months when the financial reports were either not produced, or were not as complete as they should have been, then please provide details and an explanation.	No, not always according to the complete detailed list stated to the left. Certainly all finance reports contain accurate, reliable and up-to-date management accounts, budget holder reports, and reports on resource usage and income indicators. Financial reports were produced 6 times per year prior to academy conversion. This will now increase. Due to the independent status of the academy and need for greater financial scrutiny these meetings are now bi-monthly with additional monthly management accounts meetings held with between the Chair of Finance Committee, Head teacher and Strategic Business Manager.
5) Is the annual budget in the reports presented to governors the same budget as was originally approved by the governing body? If not, were the amendments to the budget documented and approved, as required by the financial regulations?	Yes
6) Are the management accounts presented to the governors and those used by the head teacher and other managers materially consistent?	Detailed management accounts are not currently produced. This is an area under development, which will be implemented on a regular basis by March 2012.
7) Have the governors ever commented on the suitability of the financial information provided to them? If so, were there any changes made to the financial information provided?	Yes. The governors regularly scrutinize the type and levels of financial information provided and where necessary request additional information or alternative formats to enable easy of understanding and informed decision making.
8) Was the out-turn for the last academic year, as per the final set of year end management accounts, materially consistent with the annual financial statements? If not, was a reconciliation performed between the out-turn and the financial statements which identified and explained variances, and was this reconciliation provided to governors?	As a local authority school up to 31 August 2011 no year-end management accounts have as yet been produced. The first year end set of accounts will be produced after 31 August 2012. Prior to conversion, a reconciliation has always been performed between the out-turn and the financial statements to identify and explain variances. This was provided for governors.
9) Do the monthly management accounts:	N/A as a process to produce monthly management accounts is currently being implemented. The information regularly provided to the Finance

Question	Evidence
<p>a.Include detailed staffing budgets</p> <p>b.Include an approved staffing establishment against which staff actually in post are monitored</p> <p>c. Identify performance against budget in the year to date</p> <p>d. Compare performance with previous periods or years in order that trends can be identified and considered</p> <p>e. Project a year end out-turn</p> <p>f. Include a month end and a projected year end balance sheet</p> <p>g. Include a rolling monthly cash flow forecast covering at least the next 12 months</p> <p>h. Include a report on capital spends against budget</p> <p>i. Indicate progress against key objectives</p> <p>j. Include a written commentary that is sufficiently detailed to draw managers' & governors' attention to any key variances against budget that have arisen, explaining the cause</p> <p>k. Outline what actions management is going to take to address these variances?</p>	<p>Committee includes:</p> <ul style="list-style-type: none"> • Performance against budget in the year to date • Projected year end out-turn • Rolling monthly cash flow forecast • Written commentary that is sufficiently detailed to draw managers' & governors' attention to any key variances against budget that have arisen, explaining the cause. • Managerial actions to address any variances <p>Due to the independent status of the academy and need for greater financial scrutiny these meetings are now bi-monthly with additional monthly management accounts meetings held with between the Chair of Finance Committee, Head teacher and Strategic Business Manager. These are beginning towards the end of February.</p>
10) Has the academy received ear marked annual grants, or short term deficit funding, from the YPLA in order to continue to operate? How does the academy ensure that ear marked grants are spent in accordance with the terms and conditions for which the funding was provided?	No – non applicable. The academy has not required annual grants, or short term deficit funding, from the YPLA in order to continue to operate
<p>11) Has the academy undertaken any capital work during the period under review? If so:</p> <p>How does the governing body monitor progress? Do governors receive a separate financial report on capital showing actual costs against budget?</p> <p>Are the risks associated with the capital development properly reflected in the academy's risk register?</p>	No – not this year
12) Please describe any other controls in existence in this section that, while not mentioned above, are relevant to the self-assessment.	None to add
4. Financial monitoring (part B)	Proposed grade: Satisfactory

5: Proper and regular use of public funds: the academy can demonstrate that funds granted by Parliament have been used as intended.

Question	Evidence
<p>1) Has a quorum been established for the governing body and all of its committees?</p> <p>Have there been any inquorate meetings of the governing body or committees during the period under review? If so, how the business was then dealt with?</p>	<p>Yes. A quorum has been established for the governing body and all of its committees</p> <p>No. There have never been any inquorate meetings of the governing body or committees during the period under review</p>
2) Has the HM Treasury publication ' <i>Guidance on Codes of Practice for Board Members in Public Bodies</i> ' been circulated to governors?	Yes. The document has been circulated to governors and placed on the Governor part of the school website.
3) Does any governor receive any remuneration for their work as trustees, other than reasonable out of pocket expenses?	No
4) Have all governors and senior staff completed a declaration of business interests, including 'nil' returns?	Yes – all governors and staff completed a declaration of business interests, including 'nil' returns under the pecuniary interests policy. This is revisited in September each year.
5) Do declarations include all business and financial interests such as directorships, shareholdings, and other appointments of influence within a business or other organisation?	Yes - all declarations include all business and financial interests such as directorships, shareholdings, and other appointments of influence within a business or other organisation.
6) Do declarations include interests of related persons such as parents, spouses, children, personal and business partners where influence could be exerted by that person over a governor or member of staff?	Yes – all declarations include interests of related persons such as parents, spouses, children, personal and business partners where influence could be exerted by that person over a governor or member of staff.
7) Do meetings of governors and managers include a standing agenda item for those attending to declare any changes to their declaration of-interests?	Yes – all meetings have a standing 'pecuniary interests' item on every agenda.
8) Has a record of business interests, including nil returns, been maintained?	Yes – all governors and staff are obliged to sustain their entry of business interests, including 'nil' returns under the pecuniary interests policy. This is reviewed and revisited in September each year.

Question	Evidence
9) How does the academy ensure that governors do not participate in the discussion or determination of matters in which they have a direct financial interest?	Should this occur, governors leave the room whilst discussion and decision-making occurs.
10) Have there been any settlements in respect of early termination of senior management team members' contracts in the last twelve months? If so, how did the governing body ensure the settlements were proper and regular, represented value for money and were affordable?	No – none at all
11) Have any staff redundancies been considered during the period under review? If so, was appropriate advice sought (legal, pensions etc)? How did the governing body ensure settlements represented value for money and were affordable?	No - none at all
12) Has the governing body established a competitive tendering policy that, taking into account the nature of the goods and services being purchased and the potential suppliers in the market includes: a.A threshold value (established by the governing body) of goods and services (for a series of contracts or individual contracts above this value) above which a tender should be sought b.The minimum number of tenders that need to be received and considered c.The levels of delegated authority in decision making, for example the financial limits above which all quotations or tenders not be reviewed by the governing body d.A requirement to document and report to the governing body any instance where a tender or quotation other than the lowest has been accepted e.Written procedures for the submission, receipt, opening and recording of tenders?	Yes – the academy has a robust competitive tendering policy which was adopted from the local authority when transition occurred. This policy document includes a threshold value of goods and services above which a tender should be sought, the minimum number of tenders that need to be received and considered and the levels of delegated authority in decision making. It also includes the requirement to document and report to the governing body any instance where a tender or quotation other than the lowest has been accepted and written procedures for the submission, receipt, opening and recording of tenders.
13) Has the governing body established the appropriate type of tender and established clear criteria for the evaluation of tenders?	Yes – as per the tendering policy guidelines adopted from Cheshire East Council.
14) Describe the procedure for avoiding, and being seen to avoid, personal gain, waste or extravagance in use of the academy's resources by governors, employees, or related parties.	The procedure for avoiding, and being seen to avoid, personal gain, waste or extravagance in use of the academy's resources by governors, employees, or related parties is that the academy;: <ul style="list-style-type: none">• Keeps proper accounting records which disclose with accuracy the financial position of the school, detailed transactions illustrating when and what money had been expended and the educational benefits derived.

Question	Evidence
	<ul style="list-style-type: none"> • maintains and operates an effective system of internal control to safeguard all delegated resources, granted or otherwise entrusted to the school to ensure they are used cost effectively and efficiently. • maintains a robustly assured assurance system which ensures that assets are safeguarded, transactions properly authorised, and good to be written off are processed with transparency and due diligence to ensure probity. <p>The effectiveness of the academy internal control system is informed by:</p> <ul style="list-style-type: none"> • Regular scrutiny of financial and other performance monitoring data • Regular reports from the head teacher and other managers to the governing body, the most recent report of the school's Responsible Officer and external auditor • Robust, open and honest self evaluation documents of the academy's internal controls processes and procedures.
<p>15) Describe an instance where the academy decided to purchase goods and services from some entity within a wider trust structure, or related in some other way, or where open and competitive tendering was not used for a significant purchase or series of purchases.</p> <p>How was the academy able to demonstrate that it secured value for money, openness, and transparency, including considerations of the interests of sponsors and their representatives?</p>	<p>None applicable as this instance has not occurred.</p>
<p>16) Please describe any other controls in existence in this section that, while not mentioned above, are relevant to the self-assessment.</p>	<p>None to add</p>
<p>5. Proper and regular use of public funds (part B)</p>	<p>Proposed grade: Good</p>

Cheylesmore House
Quinton Road
Coventry
CV1 2WT
0845 337 2000
ypla.gov.uk

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Young People's Learning Agency

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