

ANNEX A – Recommendations

RECOMMENDATIONS TO ENSURE COMPLIANCE WITH MANDATORY REQUIREMENTS:

No	Areas in which the academy is not yet fully compliant	Recommendations to ensure Compliance	Academy response	Person responsible for implementation	Target date for implementation
1	Although the trust does have a risk register, it is not clear from the evidence provided how the trust manages risk to ensure its effective operation. The trust does not have a risk management strategy that supports the effective operation across the trust. A trust risk register was reviewed at the 23 January 2019 Finance and Audit committee, however, risk identification and monitoring is not fully covered in the Terms of Reference of the Board or Finance and Audit Committees, and there was little reference to risk in those minutes scrutinised during the audit.	The trust must manage risks to ensure its effective operation and must maintain a risk register. [AFH 2.36]	a) Amend the TOR of the Finance & Audit Comm. to include the management of risk. b) Ensure risk management is included as a standing item on the F & A Comm. agenda. c) Update the risk register each Summer term in readiness for the new academic year.	CEO CEO/Clerk CEO/FD	1 st June 2020 1 st June 2020 1 st July 2020

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2	<p>The trust provided a verbal outline of how they plan and oversee capital projects, manage and oversee assets and their maintenance. However, the processes surrounding both areas were not documented.</p> <p>The trust's Finance Policy does outline the financial limits and delegated authority levels for capital expenditure, however, it is not transparent in the Finance Policy on how capital expenditure is bid for, by whom, whether it has been ratified and correctly accounted for.</p> <p>In addition, the process on how the trust updates and maintains their asset register is not covered in the Finance Policy.</p>	<p>The trust must have sound internal control, risk management and assurance processes in place. To that purpose the control framework must plan and oversee capital projects and manage and oversee assets. It is, therefore, essential that the trust Finance Policy cover capital and assets in line with [AFH 2.7].</p>	<p>a) Update the Finance policy to cover the management of capital assets. b) Ensure meeting minutes show that capital projects are carried out in compliance with ESFA recommendations.</p>	<p>FM</p> <p>9.2.2 – 9.2.4 in Finance Policy details the CIF bid process</p> <p>Asset Register maintenance is covered in 'Asset Register' section of Finance Policy</p> <p>Clerk</p>	<p>1st June 2020</p> <p>1st June 2020</p>

No	Areas in which the academy is not yet fully compliant	Recommendations to ensure Compliance	Academy response	Person responsible for implementation	Target date for implementation
1 st 3	The trust's whistleblowing policy was updated on September 2019. However, it was not clear how this was communicated to all staff.	The trust must ensure all staff are aware of the whistleblowing process and how concerns will be managed. Staff should know what protection is available to them if they report someone etc and the trust must ensure all concerns raised with them by whistle blowers are responded to properly and fairly. [AFH 2.41 - 2.46]	Communicate to all Schools in the Trust via the Headteachers that we have a whistleblowing policy and also provide a poster detailing it for each staffroom.	FD	1 st May 2020
4	The trust Finance Policy does not identify where ESFA requires prior approval (beyond the delegated limits) for severance, compensation and ex-gratia payments, write-offs, guarantees, letters of comfort and indemnities, and the acquisition and disposal of fixed assets.	The trust must clearly outline in their financial written procedures, i.e. Finance Policy where the ESFA requires prior approval for severance, compensation and ex-gratia payments [AFH 5.6 to 5.17], write-offs, guarantees, letters of comfort and indemnities [AFH 5.18 to 5.21] and the acquisition and disposal of fixed assets [AFH 5.22 and 5.23].	Update the Finance policy to ensure ESFA compliance in relation to the following areas of the Academies Finance Handbook: 5.6 to 5.17 5.18 to 5.21 5.22 and 5.23.	FM 5.6 to 5.17 is covered in 5.8 to 5.10 in Finance Policy 5.18 to 5.21 is covered in 18.5 to 18.6 in Finance Policy 5.22 and 5.23 is covered in 9.2.1, 9.10 and 9.13 – 9.13.1 in Finance Policy	1 st June 2020

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5	The trust Finance Policy does not identify where ESFA requires prior approval for novel, contentious and repercussive transactions and borrowing.	The trust must clearly outline within their financial written procedures, i.e. Finance Policy where the ESFA requires prior approval for novel, contentious and repercussive transactions [AFH 5.5] and borrowing [AFH 5.32].	Update the Finance policy to ensure ESFA compliance in relation to the following areas of the Academies Finance Handbook: 5.5 5.32	FM 5.5 is covered in 2.18 in Finance Policy 5.32 is covered in 9.15 in Finance Policy	1st June 2020
6	The trust does not have a documented process or procedure that covers executive pay (including salary and any other benefits). The trust is currently recruiting for a CEO and evidence was seen for that recruitment process. However, it is essential that once the appointment is made that the trust document its policy on executive pay.	The trust must ensure its decisions about levels of executive pay follow a robust evidence-based process and are a reasonable and defensible reflection of the individual's role and responsibilities. The trust must discharge its responsibilities effectively, ensuring its approach to pay and benefits is transparent, proportionate and justifiable. [AFH 2.30 and 2.31]	The Trust does have a procedure for this, but it has not been documented as well as it might in TOR or minutes of meetings. The Pay Remuneration Comm. TOR will be expanded re: Executive Pay and match the new Pay Policy.	CEO	1st June 2020

OTHER RECOMMENDATIONS

Whilst not mandatory for the academy to implement, we have the following recommendations for the academy to consider:

No	Other findings	Recommendations for improvement and/or best practice	Academy response	Person responsible for implementation	Target date for implementation
8	There were some inconsistencies between the contingency and continuity plans of academies within the trust. In addition, there is no trust wide business and continuity plan in place.	To ensure consistency across the trust, an overarching trust wide business and continuity plan should be considered for development.	Produce a Trust-Business and Continuity plan and ensure the school plans are consistent with it.	CEO	1 st June 2020
9	The terms of reference of the Finance and Audit Committee currently shows that its membership consists of employees.	The trust should consider the membership of its Finance and Audit Committee to ensure the majority of its members are trustees. Where the audit committee is combined with another committee, employees should not participate as members when audit matters are discussed. The trust should ensure the terms of reference is updated to reflect all requirements specified within the Handbook. [AFH 3.9+3.11]	Amend the TOR of the Finance & Audit Comm. by removing the FD and CEO as members and classify them as 'associates'	CEO	1 st June 2020

