

NETHERAVON ALL SAINTS ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Netheravon All Saints Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Netheravon All Saints Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

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GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
F Middleton	5	5
M Frank (Chair of finance)	5	5
G Hunt	5	5
P Russell	4	5
L Woods (elected staff governor) (Resigned 24 May 2017)	4	4
J England (elected teacher governor) (Resigned 10 November 2016)	1	1
P Lampard (co-opted governor) (Resigned 1 December 2016)	1	1
M Wilshire (co-opted governor) (Resigned 20 October 2016)	1	1
L Tight (Head Teacher) (Appointed 1 September 2016)	5	5
I Thornton (Appointed 7 November 2016)	3	4
D Georgeson (Chair of Governors) (Appointed 19 October 2016)	4	4
R Nashwalder (elected staff governor) (Appointed 25 November 2016)	4	4
T Matthews (elected parent governor) (Appointed 7 December 2016)	1	3
E Quin (elected parent governor) (Appointed 7 December 2016)	3	3
R Cao (co-opted governor) (Appointed 22 February 2017)	3	3

The board experienced a churn of 58% of trustees. The new trustees were appointed to ensure that gaps in skills were addressed. A skills audit was undertaken in January 2017. Given the number of new trustees, an updated skills audit has been completed in September 2017.

The new Head teacher commenced on 1 September 2016 and quickly appointed a senior leadership team with clear roles of responsibilities. A school improvement plan was put together, jointly with trustees, identifying needs identified by the data gathered and also including Ofsted objectives, identified in the inspection of January 2017.

The chair of the board stood down from the role in March 2017 but continues as a trustee. The incoming chair of the board has many years of experience, both as a governor and as chair.

The board is presented with performance data for all year groups following each pupil progress review. The data is presented by a member of the senior leadership team, along with an explanation of the results and challenges and successes identified. Data is detailed by gender, disadvantaged groups, services children, ethnic minority groups, lower and higher attainers.

An audit of the effectiveness of governance has been undertaken and it identifies areas that need to be strengthened. Now that the board is at full strength, a review of governance is due to be undertaken in early 2018.

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GOVERNANCE STATEMENT (CONTINUED)

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The finance committee is a sub-committee of the main board of trustees. Its purpose is to:

- In consultation with Headteacher, prepare annual budget for approval by full Governing Board
- Monitor monthly financial performance against budget during financial year and ensure appropriate action taken by Headteacher or full Governing Body in response to actual or forecast variances
- Approve virements in excess of £10,000
- Authorise contracts and payments in excess of £3,000 (best value)
- Oversee internal financial procedures to ensure resilience and propriety in the handling of monies and in the letting of contracts
- Ensure that recommendations of external audits are addressed promptly
- Provide reports and advice to full Governing Body on financial matters
- On request, provide advice to other sub-committees on financial implications of their decisions
- Support Headteacher in her/his financial management role
- Verify appropriate use of pupil premium
- Ensure the school is compliant with the current Academies Financial Handbook and Funding Agreement

The finance committee meets monthly to review the budget and expenditure and reports back to the full governing board meetings.

An independent review of financial controls was commissioned and undertaken in April 2017. The report concluded:

“Based on the evidence obtained at this visit, the requirements laid down in the Academies Financial Handbook 2016 have been met. There are internal controls in place for the financial systems but I have suggested some areas for improvement. In my opinion, this inspection has revealed a low level of risk overall. This is therefore a Green report”.

The low levels of risk were acted upon.

A follow up audit was undertaken in June 2017 and the findings were that there was a low level of risk overall.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
F Middleton	7	7
M Frank (Chair of finance)	7	7
L Tight (Head Teacher) (Appointed 1 September 2016)	7	7
I Thornton (Appointed 7 November 2016)	3	3

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GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The audit committee is a sub-committee of the main board of trustees. Its purpose is to:

Carry out an on-going assessment of the risks to which the school is exposed in order to establish specific areas for review, in particular those which relate to internal financial control, reputation and compliance with the Funding Agreement.

The Audit Committee commissioned two independent internal audits during the year which were conducted by David Wheen. He supplied comprehensive reports of each visit, outlining actions required. Those actions were followed up and the conclusion of the internal audits was that the academy was low risk.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
F Middleton	1	1
M Frank (Chair of finance)	1	1
P Russell	0	1
L Tight (Head Teacher) (Appointed 1 September 2016)	1	1
I Thornton (Appointed 7 November 2016)	1	1

Review of value for money

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Collaboration with an Avon Valley School sports coach. This enabled the school to take part in a range of external sports tournaments.
- A 10% discount on all orders was re-negotiated with the supplier, Consortium.
- Different options, fitness for purpose and 'best value' are always considered before making purchases or commissioning services.
- Internal Controls were reviewed to ensure they met the requirements of the Academies Financial Handbook.
- Budget reports were produced by the Finance Officer and were scrutinised by the Headteacher and the Chair of Finance; meetings of the Finance Committee were held, providing a wider forum for discussion and challenge, and reports were made to the full governing body four times a year.
- Risks were reviewed and mitigated cost-effectively, including the Business Continuity Plan.
- All licenses and subscriptions reviewed, resulting in a saving of £2,888
- Introduction of Parent Pay, resulting in time saving for school staff, convenience for parents and reduction of amount of cash on site.
- Introduction of purchasing policy, with robust controls in place.
- Review of utilities usage.

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GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Netheravon All Saints Academy Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

To appoint David Wheen as an independent internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

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Twice a year, the internal auditor reports to the board of trustees, through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of effectiveness

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the reviewer;
- the work of the external auditor;
- the work of the senior leadership team within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 06 December 2017 and signed on its behalf by:

L Tight
Head Teacher

D Georgeson
Chair of Governors