



Education
Funding
Agency

Financial management and governance self- assessment

**For completion by all new academies
and consideration pre-opening**

March 2014

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Overview

This short self-assessment is based on the [Academies Financial Handbook](#) updated in October 2013. It is designed mainly for new academies, and those at the pre-opening stage, to help them ensure compliance with the requirements of the Academies Financial Handbook that apply upon or shortly after opening, including requirements incumbent on the accounting officer and board / delegated committees.

The requirements within the checklist apply from the date on which the funding agreement was signed so academies should ideally consider and complete an FMGS return pre-opening. Academies that have done so often highlight the benefits of this.

Feedback from academies that have completed the FMGS return shows that it is a very useful tool for new academies when setting up their financial management and governance arrangements, and provides helpful assurance to the board of trustees that arrangements meet the mandatory requirements. It will also help you create an action plan to address any areas of non-compliance identified.

Submission of the FMGS return to the EFA is a one-off requirement that applies to all new academies. Some academies may be able to provide alternative assurance in place of an FMGS return, as explained below. The completed FMGS return must be submitted to the EFA within four months of the date on which your academy opened.

Whilst submission to the EFA is a one-off requirement, many academies find it beneficial to refer back to the FMGS template periodically to recheck that they are compliant with mandatory requirements. Academies should also refer to the Academies Financial Handbook.

Alternative assurance in place of a completed FMGS return

As an alternative to completing this self-assessment, you may [contact](#) us to agree an alternative method of providing assurance. This may be relevant for example if:

- you are joining an existing multi-academy trust that has previously prepared audited accounts and you plan to adopt the same financial management and governance arrangements that apply across the trust. In this case, your accounting officer may write to us to confirm the above. The EFA will then seek to take assurance from the audited accounts received
- you appoint your auditor to assess compliance with mandatory financial management and governance requirements and the report is provided to EFA

The accountability framework

Your funding agreement and the [Academies Financial Handbook](#) describe the accountability framework for academies. The Handbook sets out all of the financial accountability requirements that apply to academies.

Considering good practice

The Handbook merely outlines the requirements that you must comply with and the minimum standards of good practice that must be applied. The EFA expects academies to look beyond these minimum requirements to example of best practice. To help you design your own financial management and governance arrangements, you may want to contact other academies, partner organisations, or your auditor. We have included links to sources of information and support in the Handbook.

If you have any questions about the FMGS or its submission please contact the [Enquiry Service](#) quoting 'FMGS submission'.

Annex A: FMGS

Submitting your FMGS

Please [email](#) your completed self-assessment to us within four months of the date on which your academy opened. Please include the name of your accounting officer and the date your board of trustees or an appropriate delegated committee endorsed your self-assessment along with contact details in the table below.

Question	Answer
Accounting officer's name	Mr Chris Wheatley
Accounting officer's position	Chief Executive Officer
Date FMGS endorsed by the board /delegated committee	
Contact name	Mrs Janet Rudge
Contact email	jrudge@peafieldlane.notts.sch.uk
Contact phone number	01623 460366
Academy name and address	Peafield Lane Academy, Litton Road, Mansfield Woodhouse, Mansfield, Notts. NG19 0EP
Date academy opened	1st March 2014
Date of company incorporation	
Auditor name and address	Streets Chartered Accountants, Tower House, Lucy Tower Street, Lincoln. LN1 1XW

Endorsing and evidencing your self-assessment

Your board of trustees, or an appropriate delegated committee, must endorse your self-assessment. Evidence in support of your self-assessment may include policy and procedure documents, formal minutes and contractual or appointment documents. As part of the EFA assurance programme, we may choose to visit your academy to review the evidence used to inform your self-assessment. We will contact you to confirm the arrangements for our visit should we include your academy in our programme.

FMGS questions

Financial oversight: The academy trust's trustees and managers must have the skills, knowledge and experience to run the academy trust

	Question	yes/no
1	Has the board appointed a principal or chief executive who acts as an ex-officio trustee?	✓
2	Has a named individual been designated as the accounting officer?	✓
3	Does the accounting officer, under the guidance of the board, ensure appropriate oversight of financial transactions?	✓
4	Does the board and appropriate committees meet at least once a term and conduct business only when meetings are quorate?	✓
5	Has a principal finance officer, with appropriate qualifications and/or experience, been appointed by the board?	✓

Financial planning: The academy trust must prepare financial plans so as to secure its short-term and long-term financial health

	Question	yes/no
6	Has the board approved a balanced budget for the financial year and the approval been minuted?	✓
7	Has the budget forecast been submitted to the EFA by the relevant deadline?	✓
8	Has the board been made aware of the requirement to obtain approval from the EFA where it is considering borrowing funds or entering into liabilities such as leases or tenancies beyond delegated limits? If any payments have been made beyond delegated limits, full details must be provided in the commentary section below.	✓

Internal control: The academy trust must have in place sound internal control and risk management processes

	Question	yes/no
9	Has an appropriate internal control framework been established?	✓
10	Has a contingency and business continuity plan been prepared?	
11	Have the risks arising from your operations been assessed?	
12	Has adequate insurance cover been obtained?	✓

Financial monitoring and management: The trustees and managers of the academy trust must monitor the academy trust's current and forecast financial position

	Question	yes/no
13	Has the board been informed of the delegated authority limits for the categories of transactions set out in the Handbook? If any payments have been made beyond delegated limits, full details must be provided in the commentary section below.	✓
14	Has the board been informed of the requirement to act prudently in ways that command broad public support and the requirement to report on how the academy has secured value for money?	✓
15	Has the board been informed of the requirement to obtain approval from EFA before making any novel or contentious payments? If any payments have been made beyond delegated limits, full details must be provided in the commentary section below.	✓

Proper and regular use of public funds: The academy trust must be able to show that public funds have been used as intended by Parliament

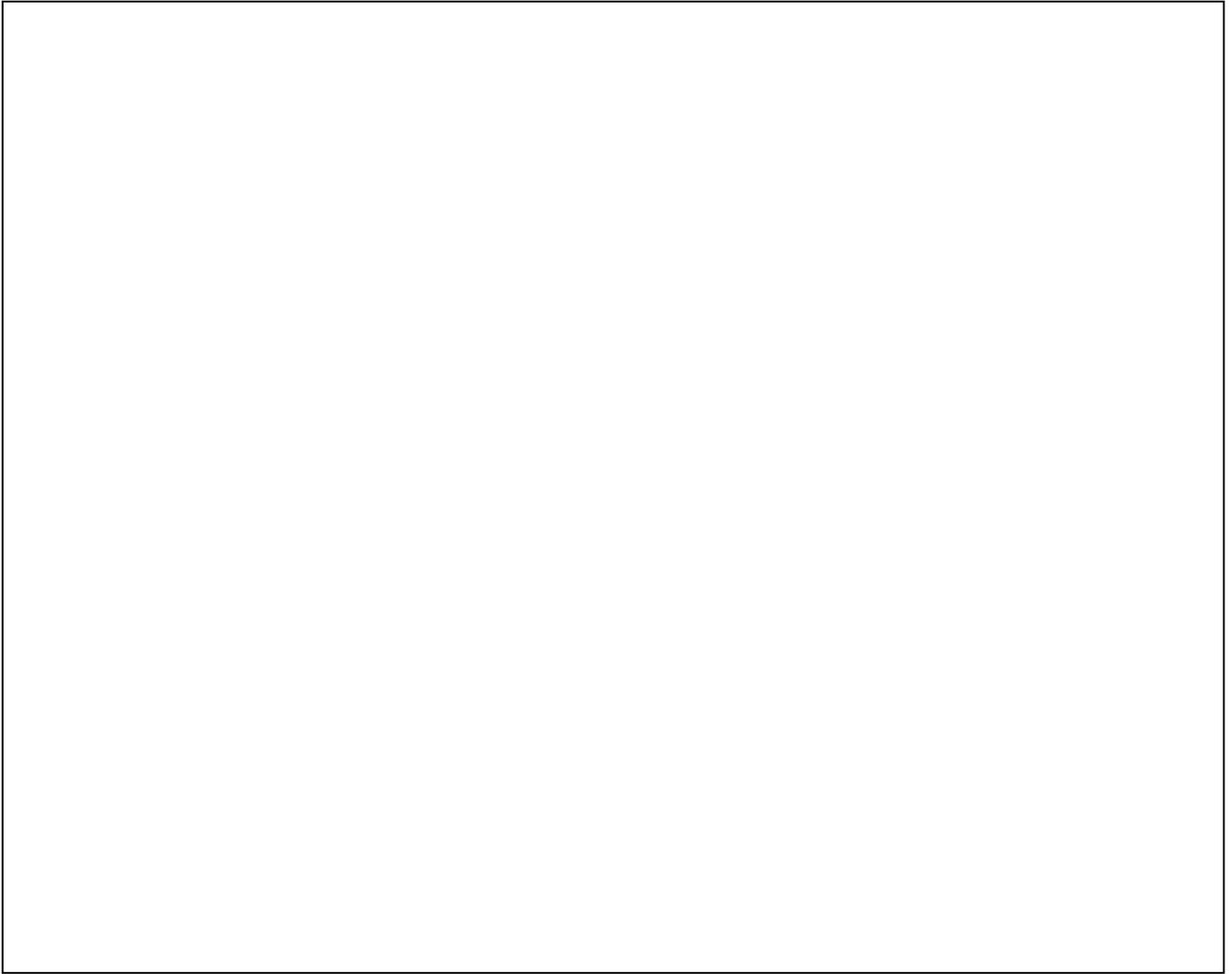
	Question	yes/no
16	Have all trustees completed the register of business interests?	✓
17	Are there measures in place to manage any conflicts of interest?	✓
18	Has the board approved a competitive tendering policy?	
19	Do senior officers' payroll arrangements meet tax obligations fully?	✓
20	Has the board been informed that goods or services provided by individuals or organisations connected to the trust must be provided at 'no more than cost', on the basis of an open book agreement and supported by statements of assurance, in accordance with the conditions set out in the Handbook? If any goods or services have been made that exceed 'no more than cost', not on the basis of an open book agreement or without statements of assurance, full details must be provided in the commentary section below.	✓

Audit requirements: Academy trusts are subject to audit and review to give assurance to Parliament and the public that public funds are being used for the purpose intended

	Question	yes/no
21	Has a set of accounting policies been approved?	✓
22	Has an external auditor been appointed?	✓

	Question	yes/no
23	Has an audit committee or a committee that fulfils the functions of an audit committee been established?	✓
24	Has a process for independent checking of financial controls been implemented?	
25	Has an appropriate committee agreed a programme to address the risks to financial control? (Audit committee at Trust level and Finance policy. Governors ensure internal control.	✓
26	Has the board been informed of the requirement to report to the EFA any instances of fraud or theft: above £5,000 against the trust whether by employees, trustees or third parties; or where fraud is unusual or systematic in nature? Full details must be provided in the commentary section where any such fraud or theft has occurred.	✓

Please use the space below to provide any comments including those relevant to questions 8, 13, 15, 20 and 26.



Accounting officer conclusion

Some questions are answered no: I am satisfied that arrangements are being established to embed financial management and governance to ensure that any instances of irregularity, impropriety or funding non-compliance can be identified. I have put in place an action plan outlined in the table below to address the “no” answers in this self-assessment.

INTERNAL ACTION PLAN FOR ANNUAL REVIEW

Question	Action	Timescale
10	Check on progress of business continuity plan	Emergency Plan is in place
11	Check the risks arising from our operations has been assessed	Risk Register – referred to working party
18	Tendering is mentioned in the Finance Policy and is currently being reviewed at Trust level	Autumn Term (ZM)
24	For independent checking of financial controls an internal audit health check is to be advised.	Autumn Term (ZM)

At Trust level, we comply. Confirmed with Mrs Z Maxey.



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