



Education & Skills  
Funding Agency

Education and Skills Funding Agency  
Sanctuary Buildings  
Great Smith Street  
London  
SW1P 3BT

Tel: 0370 000 2288  
[ESFA-enquiry-form](#)

10 November 2020

Peter Anstey  
Washwood Heath Multi Academy Trust  
Burney Lane  
Stetchford  
Birmingham  
B8 2AS

Company Number: 08531479

Dear Mr Anstey

### **Financial Notice to Improve: Washwood Heath Multi Academy Trust**

I am writing to you in your capacity as the Chair of Washwood Heath Multi Academy Trust (“the Trust”).

As you are aware, the Education and Skills Funding Agency (ESFA) undertook an investigation of the Trust in January 2020 which identified a number of compliance issues. I recognise the cooperation and extensive discussions that have taken place between the Trust and officials and the changes you have already made to strengthen accounting and internal financial controls. However, my concerns remain in relation to the governance of the Trust.

The investigation established a number of breaches of the Academies Financial Handbook (AFH) in respect of related party transactions, governance arrangements, external and internal audit, procurement and expense claims.

#### Related party transactions

The investigation established that the Trust’s dealings with Mindful Healthcare Ltd did not demonstrate that the Trust had:

- carried out a procurement exercise before appointing the supplier
- considered the ‘at cost’ requirement
- discussed this at board level, other than the agreement being signed off by the chair without full consideration by other trustees

The Trust's CEO is a director at Mindful and was involved in the decision to appoint.

This breaches paragraphs 5.35, 5.37, 5.38 and 5.48 of the AFH. The full text of these, and the other breaches referred to in this letter, are in annex B.

### Governance arrangements

The Trust has not had sufficient independence between the board, senior leadership and the finance/audit committee, specifically:

- The chair of trustees was the chair of the finance, audit and general-purpose strategic group (FAGPS) committee until 1 September 2018
- The CEO is listed as a trustee during FAGPS meetings which was also the audit committee
- Trust oversight was not extended to expenditure at school level

This breaches paragraphs 3.9, 3.10 and 3.13 of the AFH.

### Internal and external scrutiny

The Trust has not adequately addressed concerns raised by internal and external audit reviews, in particular the management letter for 2018-19. The internal audit function has not been formalised and limited independent checks have been completed. There is no agreed programme of work for future reviews by internal audit.

This breaches paragraphs 3.1 to 3.5 and 3.12 of the AFH.

### Procurement

The investigation established that the Trust's procurement regulations and policy were not compliant with the AFH in respect of regularity, value for money and complying with delegated authorities.

Failure to obtain quotes and/or tenders and the necessary approvals for procurement from suppliers:

- Certified Pro Installs
- Dorwingear Ltd
- Clarendon Roofing and Building
- Premier Flooring Group
- Malachi Specialist Family Support
- 3D Facilities Support
- Handsam Ltd

breaches paragraphs 2.28, 5.48 and 6.9 in the AFH.

### Procurement card expenditure

The Trust does not have a current and robust expenses policy. Sample testing in the ESFA investigation highlighted that claims did not have an audit trail of paperwork to support spending decisions and transactions.

This breaches paragraphs 2.28 and 5.31 of the AFH.

## Expenses

The ESFA investigation established that controls over the claiming of and authorisation of expense claims are weak as there is no current and robust expense policy:

- There is a lack of supporting documentation and timescales for claims;
- A conflict of interest with the CEO authorising her son's mileage claims;
- Unclaimable items and items not appearing to be directly related to trust business.

This breaches paragraphs 2.6 and 2.28 of the AFH.

This letter and its annexes serve as a written notice to improve financial management, control and governance at the Trust. It reflects the continued concerns on governance and oversight of financial management by the Board.

The Trust is required, pursuant to the provisions of the Academy Financial Handbook (AFH) and the Funding Agreement (FA), to comply with the terms of this Financial Notice to Improve ("the Notice"). These terms are set out in Annex A.

Being issued with a Notice means that certain delegated authorities, as defined in the AFH, have been revoked. All transactions previously covered by these delegations, regardless of their size, must now be approved in advance by ESFA, specifically:

- special staff severance payments
- compensation payments
- writing off debts and losses
- entering into guarantees, indemnities or letters of comfort
- disposals of fixed assets beyond any limit in the funding agreement
- taking up a leasehold or tenancy agreement on land and buildings of a duration beyond any limit in the trust's funding agreement
- GAG carry forward from one year to the next beyond any limit in the funding agreement and the pooling of GAG by MATs

If the Trust comes to the ESFA to seek retrospective approval this will be deemed a breach of the AFH. These delegated authorities shall be returned to the Trust once we are satisfied that the requirements of the Notice have been, and will continue to be, complied with to the satisfaction of the Secretary of State. Further details of the approval process will be forwarded to the Accounting Officer upon acknowledgment of receipt of this letter.

We will monitor progress made towards meeting the requirements of this Notice. We will lift the Notice when the requirements set out in the annex have been met in full.

We reserve the right to reissue this Notice and add further specific conditions if required, should the trust fail to make sufficient progress against the original conditions. Should it become evident that the Trust is unlikely to fulfil the conditions and / or requirements set out in this Notice and / or within the agreed timescales, we will explore the contractual intervention options available.

In the event that the Trust fails to meet the requirements of this Notice, to the satisfaction of the Secretary of State, the Trust will be considered to have failed to comply with the terms of the AFH. This will amount to a breach of the terms of the FA and may lead to termination.

If continued non-compliance with the AFH occurs, we may also refer the case to the Charity Commission and/or Insolvency Service for further investigation, as deemed appropriate in the circumstances.

I should be grateful if you would acknowledge receipt of this letter by email within three working days of the date of this letter to [REDACTED]. In line with the requirements set out in ESFA's publishing policy, the Trust has 10 working days to offer any final comments on factual accuracy before publication.

I am copying this letter to the Accounting Officer Beverley Mabey, Trust Members Aftab Chughtai, Christine Margaret Quinn, Darren Walsh, Nargis Rashid, Neelam Afzal, and Andrew Warren, the Regional Schools Commissioner (RSC) for the West Midlands.

I look forward to hearing from you.

Yours sincerely



**Warwick Sharp**  
**Director, Academies and Maintained Schools Directorate**

CC. Beverley Mabey  
Andrew Warren  
Aftab Chughtai  
Christine Margaret Quinn  
Darren Walsh  
Nargis Rashid  
Neelam Afzal

### Financial notice to improve

1. The Education and Skills Funding Agency (ESFA) has decided to issue a Financial Notice to Improve (the 'Notice') as a consequence of Washwood Heath Multi Academy Trust (the 'Trust') failing to:
  - Adhere to the requirements of the AFH in relation to related party transactions, paragraphs 5.35 – 5.48
  - Have sufficient independence between the board, senior leadership and the finance/audit committee, as required in paragraphs 3.9 and 3.10 of the AFH
  - Address concerns raised by internal and external audit reviews and establish and internal audit function in line with paragraphs 3.1-3.5 and 3.12 of the AFH
  - Ensure the trust's procurement regulations and policy were compliant with paragraphs 2.28, 5.48 and 6.9 of the AFH
  - Implement a current and robust expenses policy, as required in AFH paragraphs 2.28 and 5.31
  - Establish control over the claiming of and authorisation of expense claims, as required in the AFH paragraphs 2.28 and 2.6

### Conditions

2. The Trust is required to:
  - comply with the funding agreement requirement to submit all audited financial statements to the ESFA on time and without qualification
  - submit the Budget Forecast Return Outturn (BFRO) by the deadline required by the ESFA
  - submit the Budget Forecast Return (BFR) by the deadline required by the ESFA.
  - contact the ESFA at an early stage if it believes it is not able to follow and is falling behind the schedule set out in their Trust financial plan
3. The Trust must request approval from the ESFA, in advance, for any actions under the revoked freedoms in 5.6 to 5.30 of the AFH. These requests should be sent using the esfa-enquiry-form. Retrospective requests will be deemed as a breach of the AFH.
4. Ensure that all necessary Trustee contact details are up to date.
5. All Related Party Transactions must be pre-approved by the ESFA.
6. Ensure that proper arrangements are in place, whereby the Trust board has the appropriate skill set and processes in place to challenge and hold to account the Accounting Officer, Finance Officer and other members of the executive management team and evidence this.

7. The trust is to strengthen their governance through a minimum of two independent appointments to be agreed with ESFA, to address the any skills gaps identified in condition 5.
8. The ESFA receives notice of all board meetings, including extra-ordinary meetings; and that the agenda and draft minutes (in particular all information relevant to the trust's financial or governance position) are forwarded to the ESFA as soon as they are available.
9. The trust must implement a robust procurement policy that ensures that the requirements of 2.28 of the AFH are complied with.
10. Establish an audit committee, or a committee fulfilling the functions of an audit committee, to provide assurance over the suitability of, and compliance with, the trust's financial systems and operational controls and to manage risks.
11. Prepare and submit a revised Trust financial plan. The plan should be externally validated by an independent expert (such as those available at the Association of School and College Leaders, the National Association of Head Teachers or the Institute of School Business Leaders). The plan must be submitted no later than 8 December 2020. The plan must include, as a minimum:
  - how the trust will achieve a cumulative surplus position by the end of August 2023, and each year thereafter. This must be supported by robust budget forecasts through to 2022/23 with evidence to support realistic pupil number forecasts
  - a clear efficiency and savings plan setting out specific areas where further savings can be made across the trust
12. We will expect the trust to supply the following financial information on a monthly basis for a period of 12 months from agreement of the plan. The frequency of reports thereafter will be determined by the ESFA, based on progress against the Trust financial plan:
  - Revenue income and expenditure report with a narrative explaining any significant variances for the current full academic year. Income and expenditure classifications in this report should follow those in the Trust financial plan
  - A balance sheet showing the position at the end of the last calendar month and forecast to the end of the academic year; and
  - A detailed monthly cash flow forecast rolling 12 months ahead
  - Details of any further aged creditors, which cause cash flow pressures
  - Provide separate accounting details for any 'central' or 'core' teams within the trust
13. Provide an action plan that identifies improvement actions to address all of the issues identified in the ESFA review and the additional conditions noted in this Notice. Plan to be provided by 8 December 2020.

14. The Trust ensures there are clear lines of accountability between the Accounting Officer of the trust and the Trustees, including effective oversight and support for financial management.
15. Establish an up to date scheme of delegation, which meets the required criteria set out in the AFH, the trust must:
  - Approve a written scheme of delegation of financial powers that maintains robust internal controls.
  - Ensure delegated financial authorities are complied with, and provide ESFA with evidence of its use.
16. The trust must comply with all recommendations for improvements identified by an SRMA.

### **Financial management requirements**

17. The Trust is responsible for its own financial management, control and governance and is expected to take appropriate action to strengthen the weaknesses identified.
18. The Trust should take all appropriate actions to ensure an action plan is fully implemented.
19. The ESFA must be satisfied that the Trust is doing everything it can to rectify the weaknesses identified.

### **Timescales**

20. The 2019/2020 BFR return is due to the ESFA by the deadline set by ESFA in future years until the FNtl is lifted. The 2019/2020 audited accounts are due to the ESFA by 31 January 2021 and by the deadline set by ESFA in future years until the FNtl is lifted.

### **Monitoring and progress**

21. The Trust is required to meet the specific conditions outlined above to enable the ESFA to monitor compliance and progress.
22. Should it become evident that the Trust is unlikely to fulfil the conditions and/or requirements set out in this Notice and/or within the above timescales, the ESFA will begin to consider and explore the contractual intervention options available.

### **Compliance and the end of the notice period**

23. Compliance with this Notice will be demonstrated when:
  - The Trust has requested approval from the ESFA for any and all actions under the revoked freedoms in part 5 of the AFH. These requests should be sent using the [ESFA-enquiry-form](#)
  - The ESFA receives the Budget Forecast Return by the deadline set by ESFA in future years until the FNtl is lifted

- The ESFA receives audited financial statements with an unqualified audit opinion by 31 January 2021 and by the deadline set by ESFA in future years until the FNtl is lifted
- The ESFA receives the auditors' management letter which does not raise further concerns relating to any of the issues highlighted within this Notice by 31 January 2021 and by the deadline set by ESFA in future years until the FNtl is lifted
- All fields specified in GIAS for the individuals must be completed before the FNtl can be lifted. The trust must ensure its record on Get information about schools for the individuals remains up to date
- Approval for all RPTs received before transaction takes place. Any transactions requiring retrospective approval would count as a breach of this condition
- The Trust board are providing the right balance of challenge and have the skills necessary to carry out their duties effectively
- The Trust submits a schedule of future meeting dates to ESFA and provides copies of the minutes of the meetings
- Documents setting out procurement policy are submitted to ESFA
- The Trust must establish an audit committee, or a committee fulfilling the functions of an audit committee by 19 January 2021
- The Trust must agree the terms of reference for the committee with the ESFA by 8 December 2020
- Financial recovery consistent with the agreed Trust financial plan is demonstrated, as evidenced in the budget forecast return and the audited financial statements for that year
- The Trust submits the required financial information to ESFA on time for a minimum of 12 months and until further notice
- Action plan must be shared with ESFA, as well as regular progress updates, for example revised schemes of control and training for trustees
- The Trust submits evidence of a terms of reference and scheme of delegation that evidence the clear lines of accountability between the Principal of the Trust and the governing body by 8 December 2020
- The ESFA is satisfied the Trust has a strong governance structure in place, including a revised scheme of delegation and evidence of its use
- The Trust provides ESFA with details of the actions they have taken to attempt to implement the improvements identified by the SRMA. The Trust may want to incorporate this within an action plan

24. The conditions compliance table in Annex B advises the Trust of the evidence required and timescales given for the Trust to be deemed compliant with this Notice.

25. When the Trust meets all the conditions outlined in this annex, is fully compliant with the AFH and no other breaches have been identified, the ESFA will write to the Trust to confirm that the Notice has been lifted.

## **Full text of breaches of Academies Financial Handbook identified through ESFA investigation**

2.28 *The academy trust must ensure:*

- *spending has been for the purpose intended and there is probity in the use of public funds*
- *spending decisions represent value for money*
- *internal delegation levels exist and are applied*
- *a competitive tendering policy is in place and applied, and Official Journal of the European Union (OJEU) procurement thresholds are observed*
- *professional advice is obtained where appropriate*

2.6 *The academy trust must have sound internal control, risk management and assurance processes. This should follow a tiered approach comprising:*

- *clearly communicated procedures, structures and training of staff*
- *appropriate day to day supervision and checks by management*
- *internal scrutiny overseen by an audit committee*
- *external audit and assurance*

3.1 *All academy trusts must have a programme of internal scrutiny to provide independent assurance to the board that its financial and others controls, and risk management procedures, are operating effectively.*

3.2 *Internal scrutiny must focus on:*

- *evaluating the suitability of, and level of compliance with, financial and other controls. This includes assessing whether procedures are designed effectively and efficiently, and checking transactions to confirm whether agreed procedures have been followed*
- *offering advice and insight to the board on how to address weaknesses in financial and other controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of the trust*
- *ensuring all categories of risk are being adequately identified, reported and managed*

*3.3 The trust must identify on a risk-basis (with reference to its risk register) the areas it will review each year, modifying its checks accordingly. For example, this may involve greater scrutiny where procedures or systems have changed.*

*3.4 Internal scrutiny should take account of output from other assurance procedures to inform the programme of work. For example, it should have regard to recommendations from the trust's external auditors as described in their management letter, and from relevant reviews undertaken by ESFA.*

*3.5 Independence in internal scrutiny must be achieved by establishing appropriate reporting lines whereby those carrying out checks report directly to a committee of the board, which in turn provides assurance to the trustees.*

*3.9 Employees of the trust should not be audit committee members, but the accounting officer and chief financial officer should attend to provide information and participate in discussions.*

*3.10 The chair of trustees should not be chair of the audit committee.*

*3.12 The committee must:*

- have written terms of reference describing its remit*
- agree a programme of work annually to deliver internal scrutiny that provides coverage across the year*
- review the risk register to inform the programme of work, ensuring checks are modified as appropriate each year*
- agree who will perform the work*
- consider reports at each meeting from those carrying out the programme of work*
- consider progress in addressing recommendations*
- consider outputs from other assurance activities by third parties including ESFA financial management and governance reviews, funding audits and investigations*
- have access to the external auditor as well as those carrying out internal scrutiny, and consider their quality*

*3.13 In MATs, the committee's oversight must extend to the financial and other controls and risks at constituent academies.*

*5.31 - The academy trust should have a policy and register on the acceptance of gifts, hospitality, awards, prizes or other benefits that might compromise their judgment or integrity, and should ensure all staff are aware of it. When making gifts, the trust must ensure the value is reasonable, is within its scheme of delegation, the decision is documented, and achieves propriety and regularity in the use of public funds.*

*5.35 Academy trusts must be even-handed in their relationship with related parties by ensuring that:*

- *trustees comply with their statutory duties as company directors to avoid conflicts of interest, not accept benefits from third parties, and declare interest in proposed transactions or arrangements 42*
- *all members, trustees, local governors of academies within a MAT and senior employees complete the register of interests, in accordance with sections 5.44 to 5.47 of this handbook*
- *no member, trustee, local governor, employee or related individual or organisation uses their connection to the trust for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the trust*
- *there are no payments to trustees by the trust unless permitted by the articles, or by authority from the Charity Commission, and comply with any relevant agreement with the Secretary of State. Trusts will need to consider these obligations where payments are made to other business entities who employ the trustee, are owned by the trustee, or in which the trustee holds a controlling interest*
- *the Charity Commission's approval is obtained where the trust believes a significant advantage exists in paying a trustee for acting as a trustee*
- *payments provided to the persons referred to in section 5.48 satisfy the 'at cost' requirements in this handbook*

*5.37 The board of trustees must ensure requirements for managing related party transactions are applied across the trust. The board chair and the accounting officer must ensure their capacity to control and influence does not conflict with these requirements. They must manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with The 7 principles of public life.*

*5.38 Trusts must recognise that some relationships with related parties may attract greater public scrutiny, such as:*

- *transactions with individuals in a position of control and influence, including the board chair and accounting officer*
- *payments to organisations with a profit motive, as opposed to those in the public or voluntary sectors*
- *relationships with external auditors beyond their duty to deliver a statutory audit*

*5.48 Subject to sections 5.53 to 5.56 a trust must pay no more than 'cost' for goods or services provided to it by the following persons ('services' do not include contracts of employment):*

- *members or trustees of the academy trust*
- *individuals or organisations related to a member or trustee of the academy trust. For these purposes the following persons are related to a member, or trustee:*

- *a relative of the member or trustee. A relative is defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner*
- *an individual or organisation carrying on business in partnership with the member, trustee or a relative of the member or trustee*
- *a company in which a member or the relative of a member (taken separately or together), and/or a trustee or the relative of a trustee (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company*
- *an organisation controlled by a member or the relative of a member (acting separately or together), and/or a trustee or the relative of a trustee (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation can secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes*
- *any individual or organisation given the right under the trust's articles of association to appoint a member or trustee of the academy trust; or any body connected to such individual or organisation 45*
- *any individual or organisation recognised by the Secretary of State as a sponsor of the academy trust; or any body connected to such individual or organisation*

*6.9 Academy trusts must be aware of the risk of fraud, theft and irregularity and address it by putting in place proportionate controls. Trusts must take appropriate action where fraud, theft or irregularity is suspected or identified.*

**Table of conditions**

The table below summarises the conditions that have been placed upon Washwood Heath Multi Academy Trust (“the Trust”). It sets out the evidence the Trust must provide, and the timescales the Trust must meet, to show that they have complied with the Financial Notice to Improve (“the Notice”). All conditions set out in the table must be met before the Notice can be lifted.

<b>Condition</b>	<b>Evidence required to show compliance with the notice</b>	<b>Timescale</b>
<p>1. The Trust is required to:</p> <ul style="list-style-type: none"> <li>a) Comply with the funding agreement requirement to submit all audited financial statements to the ESFA on time and without qualification.</li> <li>b) Submit the Budget Forecast Return Outturn (BFRO) by the deadline required by the ESFA.</li> <li>c) The Trust is required to submit the Budget Forecast Return (BFR) by the deadline required by the ESFA.</li> <li>d) Contact the ESFA at an early stage if it believes it is not able to follow is falling behind the schedule set out in their Trust financial plan.</li> </ul>	<p>The ESFA receives audited financial statements by 31 January 2021 and by the deadline set by the ESFA each year until the FNtl is lifted.</p> <p>The ESFA receives BFRO by date required, each year until FNtl is lifted.</p> <p>The ESFA receives BFR by date required, each year until FNtl is lifted.</p> <p>Returns show recovery in line with the Trust financial plan.</p>	<p>Submit audited financial statements by deadline set by ESFA, each year until the FNtl is lifted.</p> <p>Submit BFRO on time each year until FNtl is lifted.</p> <p>Submit BFR on time each year until FNtl is lifted.</p>
<p>2. The Trust requests approval from the ESFA, in advance, for any actions under the revoked freedoms in 5.6 to 5.30 of the AFH. These requests should be</p>	<p>The Trust must submit a request for approval for any actions relating to the delegated freedom revoked under the terms of the FNtl.</p>	<p>Until the FNtl is lifted.</p>

sent using the esfa-enquiry-form. Retrospective requests will be deemed as a breach of the AFH.		
3. Ensure that all necessary Trustee contact details are up to date.	All fields specified in GIAS for the individuals must be completed before the FNtl can be lifted. The trust must ensure its record on GIAS for the individuals remains up to date.	Updated immediately and ongoing
4. All Related Party Transactions must be pre-approved by the ESFA.	Approval for all RPTs received before transaction takes place. Any transactions requiring retrospective approval would count as a breach of this condition.	Until the FNtl is lifted
5. Ensure that proper arrangements are in place, whereby the Trust board has the appropriate skill set and processes in place to challenge and hold to account the Accounting Officer, Finance Officer and other members of the executive management team and evidence this.	The Trust board are providing the right balance of challenge and have the skills necessary to carry out their duties effectively.	8 December 2020 and on an annual basis thereafter whilst the trust is under the FNtl
6. The ESFA receives notice of all board meetings, including extra-ordinary meetings; and that the agenda and draft minutes (in particular all information relevant to the trust's financial or governance position)) are forwarded to the ESFA as soon as they are available.	The Trust submits a schedule of future meeting dates to ESFA and provides copies of the minutes of the meetings	Future meeting schedule to be provided by 8 December 2020. Draft minutes to be provided within 10 working days of the meeting taking place and final minutes within 5 working days after approval

<p>7. The trust must implement a robust procurement policy that ensures that the requirements of AFH 2.28 are complied with.</p>	<p>Documents setting out procurement policy submitted to ESFA.</p>	<p>8 December - 4 weeks from the date of the FNtl</p>
<p>8. Establish an audit committee, or a committee fulfilling the functions of an audit committee, to provide assurance over the suitability of, and compliance with, the trust's financial systems and operational controls and to manage risks</p>	<p>Trust must establish an audit committee, or a committee fulfilling the functions of an audit committee by 19 January 2021.</p> <p>The trust must agree the terms of reference for the committee with the ESFA by 8 December 2020.</p>	<p>19 January 2021 - 8 weeks after issuing of FNtl</p>
<p>9. Prepare and submit a revised Trust financial plan. The plan should be externally validated by an independent expert (such as those available at the Association of School and College Leaders, the National Association of Head Teachers or the Institute of School Business Leaders). The plan must be submitted no later than 8 December 2020. The plan must include, as a minimum:</p> <ul style="list-style-type: none"> <li>i. how the trust will achieve a cumulative surplus position by the end of August 2023, and each year thereafter. This must be supported by robust budget forecasts through to 2022/23 with evidence to support realistic pupil number forecasts</li> <li>ii. a clear efficiency and savings plan setting out specific areas where further savings can be made across the trust</li> </ul>	<p>Financial recovery consistent with the agreed Trust financial plan is demonstrated as evidenced in the budget forecast return and the audited financial statements for that year.</p>	<p>8 December - 4 weeks from the date of the FNtl</p>

<p>10. We will expect the trust to supply the following financial information on a monthly basis for a period of 12 months from agreement of the plan. The frequency of reports thereafter will be determined by the ESFA, based on progress against the Trust financial plan:</p> <ol style="list-style-type: none"> <li>a. Revenue income and expenditure report with a narrative explaining any significant variances for the current full academic year. Income and expenditure classifications in this report should follow those in the Trust financial plan;</li> <li>b. A balance sheet showing the position at the end of the last calendar month and forecast to the end of the academic year; and</li> <li>c. A detailed monthly cash flow forecast rolling 12 months ahead.</li> <li>d. Details of any further aged creditors, which cause cash flow pressures.</li> <li>e. Provide separate accounting details for any 'central' or 'core' teams within the trust.</li> </ol>	<p>Trust submits the required information to ESFA on time for a minimum of 12 months and until further notice.</p>	<p>The management reports must be submitted to the ESFA by 14<sup>th</sup> of the month, for a minimum of 12 months, until further notice.</p>
<p>11. Provide an action plan that identifies improvement actions to address all of the issues identified in the ESFA investigation and the additional conditions noted in this Notice. Plan to be provided by 8 December 2020.</p>	<p>Action plan must be shared with ESFA, as well as regular progress updates e.g. revised schemes of control, training for trustees etc.</p>	<p>8 December - 4 weeks from the date of the FNtl</p>
<p>12. The Trust ensures there are clear lines of accountability between the Accounting Officer of the trust and the Trustees, including effective oversight and support for financial management.</p>	<p>The trust submits evidence a terms of reference and scheme of delegation that evidence the clear lines of accountability between the Principal of the trusts and the Governing Body by 8 December 2020.</p>	<p>8 December - 4 weeks from the date of the FNtl</p>

<p>13. Establish an up to date scheme of delegation, which meets the required criteria set out in the AFH, the trust must:</p> <ul style="list-style-type: none"> <li>• Approve a written scheme of delegation of financial powers that maintains robust internal controls.</li> <li>• Ensure delegated financial authorities are complied with, and provide ESFA with evidence of its use.</li> </ul>	<p>The ESFA is satisfied the Trust has a strong governance structure in place, including a revised scheme of delegation and evidence of its use.</p>	<p>22 December 2020 - 6 weeks after issuing the FNtl</p>
<p>14. The trust must comply with all recommendations for improvements identified by an SRMA.</p>	<p>The trust must provide ESFA with details of the actions they have taken to attempt to implement the improvements identified by the SRMA. The trust may want to incorporate this within an action plan.</p>	<p>Timeframe identified by SRMA</p>