



Department
for Education

A guide to new alternative provision free school revenue funding 2019 to 2020

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Introduction

1. This guide sets out how revenue funding for new alternative provision (AP) free schools is calculated and paid for the 2019 to 2020 academic year. Additional guidance on [2019 to 2020 high needs funding](#) for new AP free schools is available on [GOV.UK](#).
2. This guide also sets out the importance of good financial health and the financial governance and accountability requirements for trusts. A pre-opening financial management and governance self-assessment is available at Annex A, and is a helpful tool for trusts to assess a free school's financial governance and compliance prior to opening.
3. The following funding is available in 2019 to 2020 to AP free schools upon opening.
 - per-place (FTE) funding
 - commissioner top-up funding
 - national 16 to 19 formula funding
 - business rates grant
 - teachers pay grant
 - Teachers' pension employer contribution grant
 - universal infant free school meals
 - PE and sport premium
 - post-opening grant

Each is described in more detail later in this guide.

4. This guide does not cover:
 - funding for mainstream free schools and special free schools (which have separate guides)
 - funding for hospital education
 - AP free schools open before September 2019 (who will be receiving updates on funding arrangements from the Education and Skills Funding Agency (ESFA))
 - any initial funding which may be provided by the department to help free school proposers to develop their projects before the opening of the school (i.e. project development grant) Further information on [project development grant](#) (PDG) is available on [gov.uk](#)
 - capital funding, which will depend on the circumstances of individual free schools (and within this heading is included in any ongoing annual costs of leasing premises)
 - Value Added Tax (VAT) open academies and free schools do not receive a separate grant to cover these costs, but will instead be able to claim back, when open, any VAT paid in respect of their non-commercial activity,

directly from Her Majesty's Revenue and Customs (HMRC) via the VAT scheme for academies

School resource management and planning overview

School resource management

5. Efficient schools make the best use of resources, ensuring that every pound is used to have maximum impact for their pupils and the school. Schools that do this well tend to:

- base their financial planning on delivering educational outcomes, rather than as a separate consideration
- have a strategic approach towards financial planning for the longer term (3 to 5 years)
- deploy their staff effectively and efficiently, linked to their long-term plan
- have robust challenge from financially skilled governors and head teachers
- have skilled staff responsible for managing finances, who have experience of seeking best value for money when procuring.
- have transparent financial systems and processes that encourage constructive challenge within and between schools

6. The [school resource management strategy](#) outlines the tools, support and guidance available to schools. This includes the Schools Benchmarking Service which allow schools to compare their spending patterns to schools in similar circumstances and the department's [Teaching Vacancies](#) site allows schools to advertise their vacancies for free.

7. The strategy also directs school leaders to the [department's national deals](#), including deals on:

- printers, photocopiers and IT equipment
- Schools Switch, an energy comparison service for schools, to ensure they are getting the best deal, and
- hiring supply teachers and agency workers, which makes fees and mark-ups transparent and removes the temp-to-perm fee

8. The ['school resource management: top 10 planning checks for governors'](#) guidance contains information to help schools manage their resources efficiently to deliver good educational outcomes. In particular, trusts will want to use the key metrics contained within the planning checks to consider the affordability and value of their proposed curriculum and staffing plans.

9. To receive regular updates about the school resource management tools, support and guidance, schools can sign up to the department's [schools business professionals contact list](#).

Financial planning

10. Free schools should plan their expenditure using the most up to date [financial template](#) to ensure that it is affordable within the funding provided. This should be an on-going process with financial plans updated as plans for the school are more fully developed, staff are appointed, site plans are developed and other costs are more firmly established. Groups should also refresh financial plans as further details of funding arrangements are confirmed, and review regularly to ensure they reflect the likely number of places based on evidence of commissioned places from schools and/or local authorities. In doing this, they will want to make sure they are aware of funding arrangements for each new academic year.

11. Free schools will be asked to share their current financial plans with the department before entering into a funding agreement. This should include a version modelled around the lowest number of commissioned places required in order to deliver an educationally and financially viable offer.

12. Plans will need to be resubmitted ahead of the school's readiness to opening meeting (ROM). The details included in this plan will be used in order for draft funding allocation statements to be issued.

13. Projects should be ready to submit their plans at these points with evidence to underpin their place number assumptions which must be realistic and achievable. The department will want to see that as far as possible the plans reflect the school's income based on the best estimates of available grants, the school's outgoings and the likely number of pupils. Plans should show that the school will not go into deficit at any point.

14. Plans should be based on the most up-to-date available estimates of grant funding. The [free schools financial template containing 2019 to 2020 funding rates](#) is available on GOV.UK, and will calculate indicative funding using the up-to-date funding rates.

Annual revenue funding for AP free schools

15. AP free schools are established in response to demand by local authorities and/or local schools. Evidence of this demand is needed to support the establishment of the school. Local authorities are responsible for ensuring that adequate AP is available for pupils in their area who are not at a mainstream or special school. The detailed funding methodology may vary over time as changes are made to the school and high-needs funding systems.

16. AP free schools have different funding arrangements than mainstream schools. Funding in AP free schools will comprise of:

- place funding of £10,000 from ESFA for each full-time equivalent place for pre-16 pupils. Please note, like all funding, this will be subject to regular review
- per-pupil top-up funding paid by the commissioner (local authority or other school or academy) top-up funding is agreed between the provider and commissioner and paid to the provider directly by the commissioner for each individual pupil. Top-up funding is to meet any costs in excess of the base funding threshold.
- Per student funding from ESFA for students aged 16 to 18 (see the section below on National 16 to 19 formula funding for further information)
- any other funding received for commissioned services (e.g. outreach work in local schools) from the local authority or school commissioning the service

17. From the third year after an AP free school opening, ESFA starts to deduct an appropriate proportion of the pre-16 place funding from the high needs funding block within the dedicated schools grant (DSG) of the local authorities where the pupil resides. This is because some AP free schools accept pupils from local authorities other than the one in whose area they are located, or from schools and academies in other local authority areas.

18. AP free schools' continuing financial viability depends on both the ongoing support of local authorities and schools/academies, in terms of a commitment to commission placements and services, and their willingness to provide associated funding.

19. The number of places funded for the first two years is based upon evidence provided in pre-opening of the estimated number of FTE places required for the number of pupils attending the free school. ESFA will review actual pupil numbers against planned places (occupancy) and under-occupancy in year one may impact upon the number of places funded for year two. The per-place funding beyond year two will be based on evidence of occupancy (i.e. pupil numbers) and commissioning

of places by local authorities and schools. ESFA have put in place a process to collect and scrutinise this evidence.

20. As local authorities, with their schools, will bear the cost of AP place funding after the first two years, it will be in AP free schools' interests to make sure that they are meeting local demand for AP places. There are opportunities to engage with the local authority and schools forum. The regulations governing the role and composition of schools forums provide for: (a) AP academies (and free schools) to have separate representation, in addition to mainstream academies, and (b) the forum to consider the local AP funding arrangements. If the AP free school caters for pupils from more than one local authority, it should seek to engage with them all.

Pupil premium

21. The pupil premium is a grant to provide schools with extra money to meet local challenges, chiefly those that may arise from deprivation. It is not a personal budget for pupils (like SEND funding) and carries no individual entitlements. Schools should assess the needs of all their eligible pupils and spend the pupil premium budget to meet those needs appropriately; some will need less expensive support, some will need more intensive support.

22. Schools receive the following funding for each pupil registered as eligible for free school meals (FSM) at any point in the last 6 years:

- £1,320 for pupils in reception to year 6
- £935 for pupils in year 7 to year 11

23. Schools also receive £2,300 for each pupil who has left local authority care through adoption, a special guardianship order, a child arrangements order or a residence order. If a pupil has registered as eligible for free school meals and has also left local authority care for one of these reasons, they will attract the £2,300 rate.

24. Pupil premium payments are made to academies and free schools in quarterly instalments. A school's pupil premium allocation is calculated from the information it submits in the January schools census. Allocations are applied from the start of the next financial year (April), paid in arrears so schools receive the first payment in June. Allocations are not altered during the year after other census points.

25. The pupil premium allocation for a new free school opening in September 2019 will be based on the January 2020 census; payments are made quarterly in arrears with the first payment received in June.

26. Local authorities receive the same amount for each looked-after child in their care, to be spent on their personal education plan in consultation with the child's school.

27. More information on the [pupil premium](#) is available on [GOV.UK](#).

28. Where applicable, AP free schools will also receive the pupil premium of £1,320 per pupil for those in reception to year 6, and £935 per pupil for those in years 7 to 11, for pupils who have been eligible for free school meals at any point in the past 6 years. They will also receive a £2,300 premium for each looked-after child, and a £300 per-pupil premium for all pupils in reception to year 11 who have a service parent.

National 16 to 19 formula funding

29. AP free schools can receive funding for this age group in the same way as other providers of education for 16 to 19 year olds. A national funding formula is used to calculate an allocation of funding for 16 to 19 provision for each institution, each academic year.

30. The national 16 to 19 funding formula:

$$\begin{aligned} & \text{[Student} \\ & \text{numbers} \\ & \quad \times \\ & \text{National funding rate per} \\ & \text{student} \times \\ & \text{Retention} \\ & \text{factor} \\ & \quad \times \\ & \text{Programme-cost weighting} \\ & \quad + \\ & \text{Disadvantage} \\ & \text{funding]} \\ & \quad \times \\ & \text{Area cost weighting} \end{aligned}$$

31. New free schools planning to offer 16 to 19 provision in their first 2 years of opening will be asked to submit a short business case in the spring before they open to provide evidence to support their assumptions about the characteristics to be reflected in the formula. This will inform the final funding level.

32. Normally the funding formula factors are based on historic data from the latest full year. For example, to calculate 2019 to 2020 allocations, data from each institution from the end of the 2017 to 2018 academic year is used. For new

institutions, the first 2 years are based on national or local authority level averages. Where a business case has been submitted and approved by ESFA, the approved factor will be used instead of the average for the first 2 years. In either case, the allocation will revert to using actual historic data from year 3.

33. Students are categorised into funding bands based on the number of planned hours per students. Each funding band is assigned a national funding rate. The bands and funding rates per student for 2019 to 2020 are:

Band	Annual timetabled hours		National funding rate per student
5	540+ hours	16 and 17-year-olds Students aged 18 and over with high needs	£4,000
4a	450+ hours	Students aged 18 and over who are not high needs	£3,300
4b	450 to 539 hours	16 and 17-year-olds Students aged 18 and over with high needs	£3,300
3	360 to 449 hours		£2,700
2	280 to 359 hours		£2,133
1	Up to 279 hours		£4,000 multiplied by FTE

34. For new schools it will be assumed that all students are full-time and under 18, unless ESFA is informed otherwise. Students will therefore attract the national funding rate of £4,000 per student. It is important to note that all funding can be subject to change.

35. The retention factor will reduce funding if the student does not complete their programme of study for the academic year. For new schools the national average will be used (0.980 in 2019 to 2020).

36. The programme cost weighting recognises that some programmes are more costly to deliver than others. All academic and some vocational programmes are weighted at the base rate of 1. Other vocational programmes are weighted higher than 1, dependent on the sector subject area assigned to the programme's core aim. For new schools the national average will be used (1.016 in 2019 to 2020) unless a different factor can be justified and is approved by ESFA (via the business case exercise) due to the specific programmes of study being offered.

37. The disadvantage funding is made of 2 blocks:

- Block 1 recognises the costs associated with engaging, recruiting and retaining young people from disadvantaged backgrounds (based on the index of multiple deprivation (IMD) 2015). For new schools the local authority average will be used, unless a different uplift can be justified and is approved by ESFA (via the business case exercise)
- Block 2 provides additional funding to support students with additional needs including moderate learning difficulties and disabilities. Prior attainment is used to calculate block 2 funding. Each student without GCSE English or mathematics at grade 4 (or better) counts as one instance of block 2. Where a student does not have a grade 4 (or better) in both subjects, this counts as 2 instances. The institution receives £480 per instance of block 2. Where historic data is available, an instances per student rate is calculated from historic data and then applied to the student number for that allocation year to calculate total instances. For new schools the national average will be used (0.174 instances per student in 2019 to 2020) unless a different value can be justified and is approved by ESFA (via the business case exercise)

38. An area cost uplift will be applied to reflect the higher costs of learning in some areas of the country. This uplift applies to all elements of the formula.

39. Additional funding is allocated in respect of:

- high needs places: £6,000 for each place as identified by local authority commissioning plans and decisions
- student support (bursary) funding: for new schools it is assumed that 36% of students will be eligible for student support funding based on the national average. For 2019 to 2020 this is a standard rate of £298 per student

40. For further information, please refer to the [16 to 19 funding guidance](#) on GOV.UK.

Teachers pay grant

41. The teachers' pay grant of £508 million across 2018 to 19 and 2019 to 20 provides additional funding to schools to make sure that the 2018 Teachers' Pay Award is fully affordable to schools. This covers the difference between the 2018 awards and the 1% award that schools were expecting under the previous public sector pay cap. The teachers' pay grant covers the cost of the 2018 award up to the end of the 2019 to 20 financial year for maintained schools and academies.

42. We have introduced this grant to accompany the 2018 Teachers' Pay Award, where we accepted in full the School Teachers' Review Body's (STRB)

recommendation for a 3.5% uplift to the minima and maxima of the main pay range. We also announced a substantial uplift to pay ranges for leaders and higher-paid teachers: the minima and maxima of the upper pay range are being uplifted by 2% and on the leadership pay range by 1.5%.

43. All new free schools opening in September 2019 are eligible to receive the Teachers' Pay Grant from their first year of opening. These new free schools (and any schools which have opened since October 2018) will not appear on the census data used. The grant allocation which these schools will receive between September 2019 and March 2020 will be based on a minimum funding allocation based on a minimum level of:

- 100 pupils for mainstream schools
- 40 places for high needs institutions.

44. New schools will receive an updated allocation in spring 2020 based on their October 2019 pupil numbers. This will cover the September 2019 to March 2020 period. Schools not fully open in October 2018, which are still growing by adding year groups, will receive an updated allocation in spring 2020. Schools which are growing, but not adding additional year groups will not see any additional payment. Further information will be published alongside the autumn 2019 payment.

45. Further information on the [Teacher's Pay Grant is available here](#).

Teachers' pension employer contribution grant

46. The teachers' pension employer contribution grant provides additional funding to schools to cover the cost of the increase in the employer contribution rate of the Teachers' Pension Scheme from 16.4% to 23.6% from September 2019. The grant covers funding for that pressure for the rest of the financial year 2019 to 20 (through to March 2020). The grant will also cover free schools and academies which are currently open for the period April to August 2020, to the end of their financial year. Funding beyond this point will be decided as part of the upcoming Spending Review.

47. New free schools (opening in September 2019) will not appear on the census data which is being used. The grant allocation which these schools will receive between September 2019 and March 2020 will be based on a minimum funding allocation based on a minimum level of:-

- 100 pupils for mainstream schools
- 40 places for high needs institutions

48. The new schools will receive an updated allocation in spring 2020 based on their October 2019 pupil numbers. This will cover the September 2019 to March 2020 period. Schools that were not fully open in October 2019 and are still growing by adding year groups, will also receive an updated allocation in the spring 2020 to reflect that growth. Further details of these updates will be included alongside the spring 2020 allocations.

49. Additional information on the published teachers' pension grant methodology can be found [here](#)

Risk protection arrangement (RPA)

50. Risk protection assurance (RPA) is an alternative to commercial insurance, whereby government funds cover losses that arise. The RPA will cover losses that are in scope of the [RPA membership rules](#). The rules can be found [here](#).

51. The RPA membership year runs from 1 September to the following 31 August, however members can join at any time. Please note, free schools can join the RPA scheme and receive cover prior to opening; there is no cost or premium to join the RPA in pre-opening. Alternative provision free schools in the pre-opening stage should have discussions with their lead contact regarding RPA and inform them if they require opting in to the RPA scheme at an early stage.

52. Once a school is open, ESFA will deduct the per place cost at source from the free school's general annual grant (GAG). From September 2019, the cost of RPA will be £18 per place (reducing from £20 per place in 2018 to 19)

53. Free schools do not have to enter the scheme and are free to make their own alternative insurance arrangements, however, there will be no additional funding provided should extra costs be incurred. More [information](#) about [RPA](#) can be found on GOV.UK.

Business rates grant

54. Free schools pay business rates at the 80% discounted charitable rate. They will receive a grant to cover the actual costs paid. This needs to be claimed via the [online form](#) on <https://www.gov.uk/apply-for-business-rate-relief/charitable-rate-relief>

Universal infant free school meals (UIFSM)

55. State-funded schools in England are required by law to provide free lunches to infant pupils (in reception, year one and year 2) who are not otherwise entitled to benefits-related free school meals.

56. Schools receive £437 for each of the eligible pupils, which is the equivalent of £2.30 per day for a school year for each of the eligible pupils. In their first year of opening, free school meals will initially be funded based on the estimates of the pupil numbers used to issue their indicative funding letter.

57. Schools will receive an initial provisional payment in October based on these estimates and the average UIFSM take up rate in their local authority. Adjustments to reflect actual pupil numbers will be made in July, based upon meal take up to date from the October and January schools' census. The July payment will also include an additional allocation for the first 2 terms of the next academic year.

PE and sport premium

58. Free schools with primary age pupils receive [PE and sport premium](#) funding from ESFA, based on the number of pupils in years 1 to 6. This grant is for a specific purpose, and will be paid separately to the GAG funding. Schools must use the funding to make additional and sustainable improvements to the quality of physical education (PE), physical activity and sport they offer.

59. Open school allocations are based on the January schools census (for example January 2019 census for the 2019 to 20 academic year). For new schools or a school teaching eligible pupils for the first time in the academic year 2019 to 20, funding will be based on the data from the October 2019 school census. For free schools opening in September 2019, the funding would be based on the data from the October census and would be paid to the school in the following February.

60. The free school will receive PE and Sport premium funding for a new academic year from the ESFA in two separate payments. These are:-

- 7/12 of the funding allocation in March 2020
- 5/12 of the funding allocation in May 2020

61. Further information on [PE and sports premium is available here](#)

Post-opening grant (POG)

62. AP free schools (with the exception of LA presumption free schools) are provided with a post-opening grant to reflect the additional costs in establishing a new publicly-funded school which cannot be met through the GAG. The POG provides funding in 2 elements as the free school grows: non-staffing resources, paid on a per-place basis; and a leadership grant. These titles reflect the basis on

which the funding is calculated, but the grant can be spent on any legitimate purpose of the school.

63. The first element (resources) is paid each year that the school builds up to capacity for each new place it is *expected* to create. This is not revisited to reflect actual pupil numbers and is taken from the final finance plan submitted before opening. It is paid at the following rates and is not updated to reflect actual places:

- £250 for each new FTE place created in the primary phase (years R to 6)
- £500 for each new FTE place created in the secondary and 16 to 19 phases (years 7 to 13)

64. The second element (leadership) will be agreed on a case-by-case basis following negotiation based on the needs of the new school.

65. For the purposes of initial calculation of the post-opening grant, the department will use a maximum of 4 years for the non-staffing resources element and 3 years for the leadership element. Lead contacts will talk to trusts about this.

66. The resource element of POG is paid over the first 3 months of the academic year, with 50% paid in month 1, 25% in month 2 and 25% in month 3.

67. The leadership element of POG is paid monthly.

68. Free schools set up through the local authority presumption route are not eligible for the POG. They should liaise with the local authority to agree what, if any, post opening/diseconomies funding the local authority will provide when the school opens.

69. Independent schools converting to become free schools only receive resource POG for each new place that they are creating by converting to become free schools. Independent converters do not normally receive leadership POG.

Financial governance and accountability

70. Trusts will need to ensure that spending decisions are transparent and in the school's best interests and should not give rise to criticism of the trust by Parliament, and/or the public, and/or the media. Free schools will need sound financial procedures, the capacity to handle public money and good governance arrangements. On opening, a free school will need to have a robust framework to manage its funding and ensure proper accountability and procedures are maintained.

The Academies' Financial Handbook

71. The [Academies' Financial Handbook](#), together with the funding agreement, sets out the financial management and governance requirements for academy trusts.

72. Trusts must comply with the handbook throughout the pre-opening period and once open. This is outlined within the grant agreements underlying any funding trusts receive from the department and/or ESFA. Non-compliance with the handbook is considered a breach of contract and may trigger various sanctions.

73. The handbook includes requirements in relation to financial oversight, financial planning, internal control, financial monitoring and management and proper and regular use of public funds as well as a number of other specific matters. The handbook also sets out the audit requirements for academy trusts.

74. The handbook is aimed at trustees, accounting officers (principals and chief executives), principal finance officers (finance directors and business managers), clerks to the board of trustees, local governing bodies of multi-academy trusts and auditors.

75. The handbook clearly articulates that the accounting officer is personally responsible to Parliament, and to the accounting officer of ESFA, for the resources under their control. This personal responsibility extends to ensuring regularity, propriety and value for money. The accounting officer also has responsibilities for keeping proper financial records and accounts, and for the management of opportunities and risks.

Financial statements

76. Free schools, including those in the pre-opening phase, with a signed funding agreement must submit audited financial statements to ESFA, for each year ending 31 August, by 31 December. The [Academies Accounts Direction](#) prescribes the form

and content of the financial statements. Prior to signing the funding agreement financial statements should be prepared in accordance with company law.

77. Trusts should set their [accounting reference date](#) to 31 August at Companies House. This is the date to which their financial statements will be produced.

78. Additionally trusts must publish accounts on their website as soon as possible after approval by trustees, but by no later than 31 January each year.

79. The accounts must also be filed by 31 May (i.e. within 9 months of the end of the accounting period) with Companies House. Further information can be found on the [Companies House website](#).

Other financial returns

80. Trusts must also submit the following financial returns to ESFA once open:

- Budget forecast return submitted to ESFA by 31 July or 6 weeks after receiving the final funding letter, whichever is the later
- Academies accounts return due where the free school did not prepare audited accounts at 31 August but had opened by 31 March, or where the free school did prepare accounts at 31 August but has opened between 1 September and 31 March. The return must be submitted to ESFA by 31 May in the first year only. Subsequent returns will be for the year ending 31 August and must be submitted to ESFA by 31 January
- Land and buildings valuation return new free schools should complete the [land and buildings valuation online form](#) within 6 weeks of opening. This allows the department to produce desktop valuations of the land and buildings of all new academies. ESFA will send academies that opened in the year between 1 September and 31 August a copy of the desktop valuation in the following January. The copy is for information only.
- [Financial management and governance self-assessment](#) submitted to ESFA within 4 months of opening. The self-assessment highlights the main requirements academies must have in place soon after opening. A pre-opening self-assessment is available at Annex A, and is a helpful tool for trusts to assess a free school's financial governance and compliance prior to opening

81. Trusts are responsible for keeping up to date with the latest deadlines and requirements. More [information about academies financial returns are](#) available on GOV.UK.

82. Trusts can also keep up to date through the [ESFA Update](#)

ESFA Information Exchange

83. ESFA Information Exchange is a secure website, accessible via the department's secure access system. It enables academies to use:

- Document Exchange to receive and exchange documents with ESFA
- Help Centre to provide support and advice on using the Information Exchange
- Calendar to check key business cycle dates and deadlines
- Digital forms for accurate financial returns and other transactions

84. A secure access account for new free schools will be automatically set up using information shared from Get Information About Schools (GIAS), the department's register of educational establishments. This usually happens within two weeks of opening. Prior to a free school opening, ESFA will send an email to the secure access approver of the free school who will then be able to activate the account and add up to 7 end users to use secure access and have access to Information Exchange.

Further information

85. Further information on academies revenue funding is available on [the ESFA pages](#) on GOV.UK.

86. There are also [training videos](#) available which trusts may find useful.

Annex A – Pre-opening financial management and governance self-assessment

This self-assessment is comprised of questions from the [financial management and governance self-assessment \(FMGS\)](#). The requirements in the FMGS checklist apply from the date on which the funding agreement is signed, so it is a helpful tool for trusts to assess a free school's financial governance and compliance prior to opening. The self-assessment must be completed in full and sent to ESFA within 4 months of opening.

1. Has the board appointed a principal or chief executive?
2. Has the trust permanently designated only one senior executive leader (principal or chief executive) as the accounting officer?
3. Have the directors/trustees been provided with the information for them to fully discharge their duties as company directors and charity trustees to undertake their roles effectively?
4. Does the accounting officer, under the guidance of the board, ensure appropriate oversight of financial transactions;
 - by having all the trust's property under the control of the trustees;
 - having measures in place to prevent losses or misuse;
 - having bank accounts, financial systems and financial records operated by more than one person;
 - keeping and maintaining full and accurate accounting records;
 - preparing accruals accounts, giving a true and fair view of the trust's use of resources, in accordance with existing accounting standards?
5. Does the board have arrangements in place to meet at least 3 times per year and conduct business only when meetings are quorate?
6. Does the trust prepare management accounts every month, including budget variance reports, cash flow forecasts and information on cash, debtors and creditors?
7. Are management accounts shared with the chair of trustees every month and other trustees 6 times a year?
8. Has the board made arrangements to consider information about the financial performance of the trust when it meets? This must be at least 3 times a year.

9. Does the trust have an individual in place discharging the role of chief financial officer, with appropriate qualifications and/or experience?
10. Has the board approved a written scheme of delegation of financial powers that maintains robust internal control arrangements?
11. Has the board of trustees approved a balanced budget and minuted its approval?
12. If a deficit revenue budget was set, was ESFA informed within 14 days?
13. Has the trust submitted all relevant budget returns as detailed in the [Academies Financial Handbook](#) by the relevant deadline?
14. Has the board been made aware of the [Academies Financial Handbook](#) requirements when making investments?
15. Has the trust implemented a risk management strategy which includes the regular review of its risk register by an appropriate committee of the board?
16. Has the board approved a whistleblowing policy?
17. Has the trust prepared a contingency and business continuity plan?
18. Has the trust established an appropriate internal control framework?
19. Is the trust a member of the department's risk protection arrangement (RPA) or does it have alternative, adequate insurance cover?
20. Has the board been informed of the requirement to obtain ESFA approval for the following transactions beyond the delegated limits as per the [Academies Financial Handbook](#)?
 - severance, compensation and ex-gratia payments
 - write-offs
 - indemnities
 - acquisition and disposal of assets
 - leasing
21. Has the board been informed of the requirement to obtain ESFA approval for the following transactions?
 - novel, contentious and repercussive transactions
 - borrowing
22. Has the board been informed that goods or services provided by individuals or organisations related 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 [Academies Financial Handbook](#)?

23. Does the trust have procurement controls ensuring that:

- 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 within the trust;
- a competitive tendering policy is in place and applied, and Official Journal of the European Union (OJEU) procurement thresholds are observed;
- relevant professional advice is obtained where appropriate?

24. Have all decision makers including the trustees, members, local governors of academies, if a multi-academy trust and senior employees, completed the trust's register of business and pecuniary interests?

25. Has the academy trust published on its website, its governing structure and remit and the relevant business and pecuniary interests of the accounting officer and members and trustees, including local governors where the trust is a MAT?

26. Does the trust have in place measures to manage any conflicts of interest?

27. Is the trust aware that they must report all transactions with related parties to ESFA in advance of the transaction taking place, using ESFA's on-line form? This requirement applies to transactions made on or after 1 April 2019.

28. Is the Trust aware that they must seek approval for transactions with related parties agreed on or after 1 April 2019 on or above the [Academies Financial Handbook](#) limits?

29. Do senior officers' payroll arrangements meet tax obligations fully?

30. Do decisions about executive pay follow a robust evidence-based process reflective of the individual's role and responsibilities, and that the board's approach to pay is transparent, proportionate and justifiable and in line with the [Academies Financial Handbook](#)?

31. Has the board been made aware of the requirement to prepare an annual report and accounts, which incorporates accounting policies which need to be approved by the board of trustees?

32. Has the board agreed the appointment of an external auditor for the trust?

33. Has the trust established a committee to provide assurance to the board about the suitability of, and compliance with financial systems and operational

controls, and to ensure that risks are being adequately identified and managed? Trusts with annual income over £50m must have a dedicated audit committee for this. Other trusts can include this within another committee.

34. Has the audit committee or equivalent agreed and implemented a programme for the independent checking of financial controls and risks?
35. Does the trust have plans for this FMGS full return to be included in the programme for the independent checking of financial controls and risks?
36. Has the board been informed of the requirement to report to ESFA 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?



Department
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