

THE ST NEOTS LEARNING PARTNERSHIP

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The St Neots Learning Partnership 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 principal, 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 The St Neots Learning Partnership 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.

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
Karl Wainwright (Chairman)	12	13
Graham Wright (Local Community Governor)	12	12
Julie Smith (Vice Chair)	8	12
Martin Critcher (Parent Governor)	9	9
Karen Kircher (Parent Governor)	4	7
Judith Burt (Parent Governor)	3	7
Helen Bryson (Parent Governor)	12	15
Rick Carroll (Executive Head and Accounting Officer)	16	17
Margaret Carpenter (Staff Governor)	7	7
Ian Dumbleton (Local Community Governor)	6	7
Roger Henthorne (Partnership Governor)	6	7
Christine Lewis (Partnership Governor)	10	10
Catherine Hutton (Community (Authority) Governor) (Resigned 9 September 2015)	0	0
Sandy Law (Community (Authority) Governor)	9	9
Graham Hughes (Parent Governor)	8	12
Michael Norton (Staff Governor) (Resigned 4 December 2015)	1	3
Andrew Truett (Staff Governor)	7	7
Martin Paine (Headteacher) (Appointed 10 September 2015)	7	10
Tracy Grinnell (Headteacher) (Appointed 1 September 2016)	0	0

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The **finance and resources committee** is a sub-committee that came into effect in the spring term of 2014-15.

The Committee's key functions are to:

- support purpose and values of the Partnership by ensuring the best possible use of available financial resources;
- within an overall aim of promoting the well-being of students and staff, consider health and safety policy and associated practice.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
G Wright	5	5
K Wainwright	3	5
G Hughes	3	5
H Bryson	3	5
R Carroll	4	5
M Paine	1	4

The **standards and curriculum committee** is a sub-committee of the main governing body and became effective during the spring term of 2014-15.

The Committee's key functions are to:

- monitor and evaluate standards of student attainment and achievement;
- monitor and evaluate the quality of teaching;
- monitor the development of curricular and extra-curricular provision for all students;
- monitor the Partnership's internal self-evaluation processes.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
K Wainwright	3	3
M Critcher	3	3
K Kircher	2	3
J Burt	1	3
H Bryson	3	3
G Hughes	2	3
I Dumbelton	3	3
J Smith	3	3
R Henthorne	2	3
C Lewis	3	3
S Law	3	3
M Carpenter	3	3
R Carroll	3	3
M Norton	0	1
A Truett	3	3

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The **strategy committee** is a sub-committee of the main governing body and became effective during the spring term of 2014-15.

The Committee's key functions are to:

- lead and co-ordinate the work of the Governing Body;
- lead and/or organise Governing Body representation in matters of strategic importance;
- promote effective staff development and good employment practice.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
H Bryson	2	3
K Wainwright	3	3
R Carroll	3	3
J Smith	3	3
G Wright	3	3
C Lewis	3	3

The **audit committee** is a sub-committee of the main board of trustees.

The Committee's key functions are to:

- review the school's internal and external financial statements and reports to ensure that they reflect best practice;
- discuss with the external auditor the nature and scope of each forthcoming audit and the findings of the audit once completed;
- consider all relevant reports by the Responsible Officer or the appointed external auditor, including reports on the school's accounts, achievement of value for money and the response to any management letters;
- monitor the implementation of action to address adverse control findings by the Responsible Officer or the appointed external auditor;
- review the effectiveness of the school's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner;
- consider and advise the Governing Body on the school's annual and long-term audit programme, ensuring that the school's internal controls are subject to appropriate independent scrutiny at least in accordance with Government standards;
- review the operation of the school's code of practice for Governors and code of conduct for staff;
- consider any other matters where requested to do so by the Governing Body; and
- report at least once a year to the Governing Body on the discharge of the above duties.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
J Smith	1	2
M Critcher	2	2
R Carroll	2	2
S Law	2	2

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FOR THE YEAR ENDED 31 AUGUST 2016

Review of value for money

The accounting officer 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 academy 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by robust governance and oversight of Academy Trust finances.

The Trust benefits from the provision by CEFM Limited to provide the internal audit function which is required by the Governing Body Audit Committee.

The checks include a review of key financial policies, systems and procedures, including the use of tenders and presents reports on compliance to the Audit Committee.

The external audit function is carried out by Rawlinsons who complete the paperwork required to produce the final accounts, as well as the Annual Accounts return.

The Finance and Resources Committee receive termly budget monitoring reports and reports detailing compliance with Academy Trusts tender policy, if required. The full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'. The Governing Body also receives and approves the Annual Accounts and the External Auditors Management Letter.

To ensure the operation of the Trust demonstrates good value for money and efficient and effective use of resources the Partnership benchmarks financial performance against other academy trusts, including our partner schools in the Huntingdonshire Academies Secondary Partnership, to demonstrate that the Trust provides good value for money.

Exercises are undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts remain competitive.

For purchases above £5,000 but below the tender limit 3 quotes are generally required. The Partnership also operates a preferred supplier list.

Maximising income generation

The Partnership explores every opportunity to generate income through hire of Academy facilities and provision of Adult Education.

Reviewing controls and managing risks.

Monthly budget monitoring reports are produced and reviewed by the Governors, Deputy Heads and the Headteachers and any necessary remedial action taken to address any significant variances that may have an impact on the budget out-turn.

The Chair of the Finance and Resources committee also meet with the Governors each term, to scrutinize budget statements. The Audit Committee meets twice each year to also review the audit and consider the RO reports.

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The Academy Trust ensures that all surplus cash balances are invested to maximise interest earning potential. Currently, due to low interest rates the balances are being held in the current accounts which historically earned a rate of 0.25% above the Bank base rate. In 2014 a comparison was made against Government Bond rates but governors agreed to hold the surplus balances in the main bank accounts as it was felt that the investment return on Government Bonds would not be any more favourable in the medium term. In 2016, the rate of interest paid by the bank on the current accounts was reduced to 0.5% in April and reduced further to 0.25% in September.

The Academy Trust maintains a risk register which is reviewed annually. The register is also reviewed by the Responsible Officer and External Auditor. There are currently no major risks which have not had adequate control measures applied.

Reviewing operation to maximize use of resources.

The Academy Leadership Teams review expenditure within each budget heading annually and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer and any new strategies identified in the Partnership Improvement Plan.

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 The St Neots Learning Partnership for the period 1 September 2015 to 31 August 2016 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 2015 to 31 August 2016 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 and personnel 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:

- not to appoint an internal auditor. However the trustees have appointed CEFM to carry out the role of Responsible Officer and report back to the audit committee.

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The RO has appointed the Centre for Education and Finance Management to perform a range of checks on the Academies' financial systems on a termly basis, as well as giving advice on financial matters the RO reports to the board of trustees, through the Audit Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. No material control issues were reported in this period.

Review of effectiveness

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

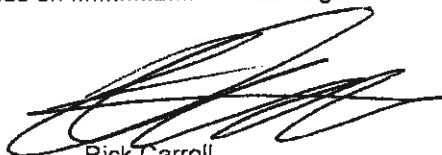
- the work of the responsible officer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Finance and Personnel committees 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 15/12/16..... and signed on its behalf by:



Karl Wainwright
Chairman



Rick Carroll
Executive Head and Accounting Officer