

**CHARLES DARWIN ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform to 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 Charles Darwin Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The Board of Trustees as the Strategic Board of the MAT formally met 5 times during the period 1 September 2016 to 31 August 2017. Attendance during this period at meetings of the Board of Trustees was as follows:

<b>Trustee (Strategic Board)</b>	<b>Meetings attended</b>	<b>out of a possible</b>
M P Sharp (Chair)	5	5
D Dilling (Vice Chair)	5	5
S Chotai (Executive Principal & Accounting Officer)	5	5
H Hartley	5	5
A Bamrah	4	5
P G Woolfenden	4	5
Cllr J Bennington	4	5

**Charles Darwin School Local Governing Body (5 meetings)**

	<b>Meetings attended</b>	<b>out of a possible</b>
S J Roberts (Chair)	4	5
S Chotai (Executive Principal & Accounting Officer)	5	5
T Coop	4	5
F Evans (staff)	5	5
J Hirst	2	5
I Turner	4	5
S M Wade	4	5
S Wilson	4	5
P G Woolfenden	5	5

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**Governance - continued**

**Biggin Hill Primary School Local Governing Body (5 meetings)**

**Meetings attended out of a possible**

M Ace (Chair)	5	5
J Ellis (Headteacher)	5	5
D Bray-Ash	3	5
C Brocklehurst	4	5
C Gallagher (staff)	5	5
H Hartley	5	5
K Hyland	4	5
J Snelling (staff)	5	5
S M Wade (resigned 4.7.17)	1	4
W Wolfcarius	5	5

A new Local Governing Body was formed with effect from 1 September 2016 to oversee the workings of Biggin Hill Primary School.

The trust has the benefit of some very committed and loyal Governors. The attendance of Governors at meetings (as illustrated above) is consistently good as is their grasp of key governance issues.

**Governance review**

In accordance with guidance received from the academy trust's auditors, itself based on published ESFA guidance, the trustees conducted a comprehensive review of the existing governance structure in order to meet current guidelines for MAT governance to ensure a greater degree of separation between the three levels of governance i.e. members/trustees/governors. As a result trustees are confident that the new structure enables the academy trust to ensure it continues to function to a high standard.

The review of governance including a review of the Scheme of Delegation is anticipated to take place at the end of each year. The next review will be in July 2018.

During the reporting period the Finance and Audit Committee, as a sub-committee of the Strategic Board, had oversight of the work of both schools in the trust.

With regard to the Finance and Audit Committee, membership during the year comprised three trustees, including the Executive Principal, and two representatives from the Local Governing Bodies. The Committee will be quorate with three members or where greater any one third. Its purpose is to oversee all matters with a financial impact and report on such to the full board of trustees. The Committee also liaises with and receives reports from the Local Governing Bodies and makes

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recommendations to those Committees regarding the financial aspects of matters being considered by them. During the year ended 31 August 2017 the attendance was as follows:

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<b>Finance and Audit</b>	<b>Meetings attended</b>	<b>out of a possible</b>
D Dilling (Chair)	5	5
S Chotai	5	5
M P Sharp	5	5
T Coop	4	5
W Wolfcarius	4	5

**Governance - continued**

During the 2016/2017 academic year the Finance and Audit Committee has focused on:

- Funding – ensuring the academy trust’s funds are spent appropriately
- Some alignment of finance practices between the two schools in the trust
- The continued development of the Darwin Leisure Centre and its profitability

**Review of Value for Money**

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

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

- Staffing economies
- Scrutiny of budgets and comparison with actual performance
- The efficient and timely management of resources for teaching and learning areas

The continuing pressure on school budgets is making it increasingly difficult to provide the same quality of education and it is to be hoped that additional funding becomes available in the near future as there are limits to what may still be reduced without causing harm to the life chances of our students.

**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,

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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 Charles Darwin Academy Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. 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 Audit 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 Board of Trustees have appointed McCabe Ford Williams, the external auditor, to perform additional checks.

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

- Testing of payroll systems;
- Testing of purchasing/payment systems;
- Checking the tendering process in accordance with internal regulations;
- Review income receipts;
- Review bank reconciliations and control account reconciliations;
- Review procedures used to prepare reports to trustees and other financial returns;

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- Check procedures for staff expense claims and petty cash claims;
- Review information reported to trustees.

On a termly basis, the auditor reports to the Board of Trustees, through the Finance and Audit Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Board of Trustees confirms that the review by the external auditor has been fully delivered in line with the ESFA's requirements and all recommendations have been implemented.

**Review of Effectiveness**

As Accounting Officer, the Executive 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 results of the external auditor's additional checks;
- 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 Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 8 December 2017 and signed on its behalf by:

**M P Sharp**  
**Chair of Strategic Board**  
**Principal**

**S Chotai**  
**Accounting Officer/ Executive**