



Responsible Officer Visits Guidance

Cheshire Academies Trust

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The Role of the Responsible Officer

1. The role of the Responsible Officer (RO) is to provide the Local Governing Body (LGB) with an on-going independent oversight of the Academy's financial affairs. Most public sector organisations, and a growing number of private sector organisations, are required to have an internal audit service but due to the relatively small size of academies this requirement is thought to be too onerous.

In the absence of an internal audit service it falls to the RO to provide the LGB with independent assurance that:

- the financial responsibilities of the LGB are being properly discharged;
 - resources are managed in an efficient, economical and effective manner;
 - sound systems of internal financial control are being maintained and
 - financial considerations are fully taken into account in reaching decisions.
2. The RO should be a governor (but not the Chair), or an appropriately qualified and experienced individual not on the Academy's staff, with the necessary financial interest and skills to be able to perform the role competently. The RO is not expected to do the detailed accounting work personally, but will be required to check some transactions to ensure that the correct procedures have been followed. The RO will need to be sufficiently familiar with the finances of the Academy to be able to report to the LGB, and hence indirectly to the EFA, that the above requirements have been met.

Performance of the RO Role

3. The conditions of our EFA grant, and the financial procedures which the EFA expect the Academy to follow, are described in the DfE Academies Financial Handbook, which expands upon the Academy's funding agreement with the Secretary of State. Further details may be set out from time to time in financial circular letters, and in the annual funding letters. It is a requirement of the Handbook that an internal audit function (RO visit) is undertaken annually, or more frequently as needed.
4. The Responsible Officer should be appointed by the LGB and the visits should be undertaken at the academy in the Spring term. The CAT Director of Operations, taking into account the outcome of the year end audit, will advise on a 'whole Trust' focus and one specific to the academy. If there are concerns regarding financial management at the academy, the Trust may request more frequent/wider ranging RO visits throughout the year.

5. Written records of the checks performed by the RO should be compiled and shared with the CAT Director of Operations and the LGB committee with responsibility for finance.

Suggested Systems Checks to be Undertaken by the RO Each Year

Payroll

- Select 5 employees from the payroll and check salary details back to personnel records to confirm that the amount paid is correct;
- Check 5 amendments to the payroll to ensure that appropriately authorised source documentation exists;
- Review the final payroll print for one month to ensure it has been appropriately authorised.

Purchases

Select 5 payments made within the quarter and ensure:

- the payment is correctly authorised;
- the payment is correctly recorded in the accounting system;
- the invoice is correctly authorised;
- the invoice agrees to the order;
- that goods or services have been certified as received;
- the order is correctly authorised;
- that the order has been placed with an appropriate supplier.
- Obtain details of any contracts let with a value over a prescribed limit and review documentation to ensure correct quotation/tender procedures have been followed;
- Review progress against any significant capital contracts to ensure payments made are appropriate and progress is satisfactory.

Income

- Review receipts from the EFA and sponsors and check that the amounts received agree to source documentation;
- Select one category of "miscellaneous receipts" and ensure:
 - appropriate action has been taken on any overdue amounts;
 - primary records of amounts due reconcile to records of monies collected;
 - monies recorded as collected have been banked promptly and in full;
 - ensure monies collected are correctly recorded in the accounting system.

Finance System

- Review bank reconciliations to ensure that they have been correctly prepared and authorised;
- Review control account reconciliations to ensure that they have been correctly prepared and authorised;
- Review through sample checks the procedures used to prepare financial reports issued to governors and officers of the Academy and EFA financial returns to be satisfied that they are completed accurately and promptly.