



Education
Funding
Agency

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6 September 2014

Dr Ann Limb
Chair
E-ACT
10 Whitfield Street
London
W1T 2RE

Dear Ann

On 8-10 July 2014 the EFA undertook an investigation at E-ACT following allegations made by a whistleblower. The final investigation report is attached. The completed report takes account of the actions taken after your meeting with Peter Lauener on the 30 July, the evidence you produced in relation to the allegations, and the subsequent factual accuracy review of the draft report carried out with you. We intend to publish the report on 19 September 2014.

As a result of this investigation, there are a number of things we require the Trust to review. These are:

1. the arrangements for the monthly accounting returns from the academies ensuring they are complete, accurate and timely and reported to the board;
2. to agree the Academies Capital Maintenance Fund (ACMF) position ensuring that it is clear and that there is proof of relevant expenditure following prior year concerns;
3. to regularise the procurement arrangements, including the use of consultants and interim staff; upkeep and maintenance of the contracts register; and adherence to the procurement policy;
4. to review the presentation and format of the school improvement budgets;
5. to maintain the adequacy of financial recording and management over the deposit accounts;
6. to maintain an enhanced scrutiny on the cash flow and financial position at head office and academy level;
7. to ensure all transferring academies issues are satisfactorily resolved including contract issues and financial balances;
8. the strict adherence to EFA return dates; and
9. the compliance with the withdrawal of delegations and in particular ensuring resolution of all redundancy and compensation claims and authorisations.

10. In addition, we will also be reviewing the terms of the Financial Notice to Improve to take these into account and will write separately to the Chief Executive of the Trust on this.

Yours sincerely

A handwritten signature in cursive script that reads "David McVean".

David McVean

Deputy Director, Academy Operations (Central)