



Education & Skills
Funding Agency

Education and Skills Funding Agency
Sanctuary Buildings
Great Smith Street
London
SW1P 3BT

Tel: 0370 000 2288
[ESFA-enquiry-form](#)

20 March 2020

Mr Dennis Sewell
Trinity London Academy Trust
Brixton Hill
London
W2 1QS

Company Number: 07847013

Dear Mr Sewell

Financial notice to improve: Trinity London Academy Trust

I am writing to you in your capacity as the Chair of Trustees at Trinity London Academy Trust (“the Trust”).

[REDACTED]

The ESFA has been working with the Trust since October 2019 to address the matters [REDACTED]. I recognise the cooperation and discussions that have taken place between the Trust and officials, however, my concerns remain in relation to governance and financial oversight at the Trust and we need a framework in place to monitor and secure further improvements.

This letter and its annex serve as a written notice to improve financial management, control and governance at the Trust. It reflects the continued concerns of weak financial controls and the governance and oversight of financial management by the board.

The Trust is required, pursuant to the provisions of the AFH and the FA, to comply with the terms of this financial notice to improve (“the Notice”). These terms are set out in Annex A.

Upon receipt of this Notice, all of the delegated authorities as identified in Part 5 of the AFH 2019 will be revoked, and all transactions by the Trust previously covered by these delegations (regardless of size) must come to the ESFA for approval.

These delegated authorities shall be returned to the Trust providing that the terms set out in the Notice have been complied with and continue to be complied with, to the satisfaction of the Secretary of State.

We will monitor progress made towards meeting the Notice requirements. We will lift the Notice when the requirements set out in the annex have been met. In the event that the Trust fails to meet the requirements of this Notice, to the satisfaction of the Secretary of State, the Trust will be considered to have failed to comply with the terms of the AFH. As a result of this breach of the AFH, and therefore also of the FA, the termination process in the FA may be triggered. Depending upon the severity of the breach, this may be considered a material breach of the terms of the FA and lead to termination.

Please acknowledge this letter by email within three working days of receipt to [REDACTED].

I am copying this letter to Christine Bayliss, interim Chief Executive Officer of the Trust, Claire Burton, the Regional Schools Commissioner for South-East England and South London and to the other members of the trust, Laura Cumming and Elaine Thomas.

I look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Pettifer', with a long horizontal stroke extending to the right.

Mike Pettifer

Director, Academies and Maintained Schools Directorate

CC Christine Bayliss (Interim Chief Executive Officer)
Claire Burton (Regional Schools Commissioner for South-East and South London)
Dennis Sewell, Laura Cumming and Elaine Thomas (Members)

Financial notice to improve

1. The Education and Skills Funding Agency (ESFA) has decided to issue a Financial Notice to Improve (the 'Notice') as a consequence of Trinity London Academy Trust (the 'Trust')
 - the Trust's failure to demonstrate appropriate financial management and governance oversight and control.

Conditions

2. The trust is required to:
 - a) Comply with the funding agreement requirement to submit all audited financial statements to the ESFA on time and without qualification.
 - b) Submit the Budget Forecast Return Outturn (BFRO) by the deadline required by the ESFA.
 - c) The Trust is required to submit the Budget Forecast Return (BFR) by the deadline required by the ESFA.
 - d) Contact the ESFA at an early stage if it believes it is not able to follow is falling behind the schedule set out in their Trust financial plan.
3. Arrange an independent review of financial management and internal controls to be undertaken in April 2020. The terms of reference and party undertaking the review must be agreed with the ESFA, and the report must be shared with the ESFA.
4. Provide the ESFA with full minutes and notes of all board meetings held during 2018/19.
5. Provide the ESFA with a copy of the report following the existing independent governance review already agreed and initiated.
6. Prepare an action plan in response to recommendations from both the review of financial management and internal controls and the review of governance, and this must be agreed with ESFA officials.
7. Prepare an action plan in response to the recommendations from the SRMA, and this must be agreed with the ESFA. This plan must demonstrate the timings when all the recommendations will be implemented.
8. Continue working with the Regional School Commissioner's Office to facilitate the smooth transfer of the academy into an appropriate Multi Academy Trust (MAT), and with the ESFA for the trust's subsequent wind-up.
9. Conduct a retrospective review of all trust appointments ensuring that all background checks have been fully completed and references followed up and verified and share a copy of the report with the ESFA.

10. Increase the regularity of all board and sub-committee meetings to twice a term, all minutes and notes to be shared with the ESFA at the earliest opportunity after each meeting throughout the 2019/20 academic year.
11. Ensure all trustees are aware of their responsibilities as directors under the companies Act, Academies Financial Handbook and as trustees under Charity Commission guidance. The trust should confirm refresher training for trustees.
12. Ensure that there are robust measures in place to acknowledge and manage related party transactions and that these are reflected appropriately in future audited accounts.
13. Ensure that all current and historic related party transactions are fully accounted for and regularised and provide evidence of this to the ESFA, ensuring that these are reflected appropriately in the audited accounts by December 2020.
14. Ensure that there are robust measures in place to notify and seek approval from the ESFA of any potential novel, contentious and repercussive transactions by the end of May 2020.
15. Ensure that proper arrangements, in line with Departmental preference and best practice, are put in place whereby there is sufficient independence [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].
16. Ensure that proper arrangements, in line with Departmental preference and best practice in the AFH 2019 paragraphs 1.3 and 1.5, are put in place whereby there is sufficient independence between members and trustees to offer robust challenge and hold the Chair, board of trustees and Accounting Officer to account for the management and general operation of the trust.
17. Conduct an audit of all ICT equipment, ensuring it complies with grant funding requirements. As part of this, the trust should complete an inventory of items purchased, recording the date of purchase. This should then be compared to the items held onsite and the records of items sold to staff. The trust should provide ESFA with the outcome of this review, highlighting the number of items unaccounted for and whether any items have been sold before the end of their useful life.
18. Meet with the ESFA on a monthly basis until the FNtl is lifted.
19. Continue to work with a supporting sponsor and submit an updated five-year financial plan and 18-month cash flow forecast to the ESFA.

Financial management requirements

20. The Trust is responsible for its own financial management, control and governance and is expected to take appropriate action to strengthen the weaknesses identified.

21. The Trust should take all appropriate actions to ensure an action plan is fully implemented.
22. The ESFA must be satisfied that the Trust is doing everything it can to rectify the weaknesses identified.

Timescales

23. The Trust must have agreed the terms of reference for the independent review of financial management and internal controls by 31 August 2020 and have submitted the outcome of this review to the ESFA by 30 September 2020.
24. The Trust must provide the ESFA with full minutes and notes of all board meetings held during 2018/19 by 01 September 2020.
25. The Trust must provide the ESFA with a copy of the report following the governance review by the end of September 2020
26. The Trust must share the action plan in response to the reviews of financial controls and governance with the ESFA by 01 September 2020.
27. The Trust must prepare an action plan in response to the findings of the SRMA by the end of September 2020.
28. The Trust must provide monthly updates on progress on its transfer to a MAT until such a transfer occurs.
29. The Trust must have conducted a retrospective review of all trust appointments by 20 March 2020, and share its report with the ESFA by 7 April 2020.
30. The Trust must increase the regularity of all board and sub-committee meetings until 31 August 2020.
31. The Trust must arrange for refresher training for its Trustees on their obligations by 01 September 2020.
32. The Trust must ensure that all related party transactions are appropriately reflected in its audited accounts by 31 December 2020.
33. The Trust must provide evidence to the ESFA that all historic related party transactions have been accounted for and regularised by 31 March 2020.
34. The Trust must ensure that there are robust measures in place to notify and seek approval from the ESFA of any potential novel, contentious and repercussive transactions by the end of May 2020.
35. The Trust must ensure that proper arrangements are put in place whereby there is sufficient independence to offer robust challenge and hold the CEO and current Accounting Officer to account for the management of the budget/finances and general operation of the trust by 31 August 2020.
36. The Trust must ensure that proper arrangements are put in place whereby there is sufficient independence between members and trustees to offer robust challenge

and hold the Chair, board of trustees and Accounting Officer to account for the management and general operation of the trust by 31 August 2020.

37. The Trust must conduct an audit of all ICT equipment, ensuring it complies with grant funding requirements by 31 August 2020. As part of this, the trust should complete an inventory of items purchased, recording the date of purchase. This should then be compared to the items held onsite and the records of items sold to staff. The trust should provide ESFA with the outcome of this review, highlighting the number of items unaccounted for and whether any items have been sold before the end of their useful life by 30 September 2020.
38. The Trust must submit an updated five-year financial plan and 18-month cash flow forecast to the ESFA by 1 September 2020.
39. The Trust must meet with the ESFA on a monthly basis until the FNtl is lifted.

Monitoring and progress

40. The Trust must provide the ESFA with monthly management accounts and cash flow reports on the 12th of each month, commencing in April 2020, initially for the first twelve months of the Notice. The frequency of the reports thereafter will be determined by the ESFA, based on progress against the conditions listed above.
41. The Trust is required to submit an action plan by 12 April 2020 to meet the specific conditions outlined above and to enable the ESFA to monitor compliance and progress.
42. The Trust is required to meet the specific conditions outlined above to enable the ESFA to monitor compliance and progress.
43. Should it become evident that the Trust is unlikely to fulfil the conditions and / or requirements set out in this Notice and / or within the above timescales, the ESFA will begin to consider and explore the contractual intervention options available.

Compliance and the end of the notice period

44. Compliance with this Notice will be demonstrated when:
 - The Trust has requested approval from the ESFA for any and all actions under the revoked freedoms in Part 5 of the AFH. These requests should be sent using the [ESFA-enquiry-form](#).
 - The ESFA receives the Budget Forecast Return, by 28 July 2020.
 - The ESFA receives audited financial statements with an unqualified audit opinion by 31 December 2020.
 - The ESFA receives the auditors' management letter which does not raise further concerns relating to any of the issues highlighted within this Notice by 31 December 2020.The ESFA receives and agrees the terms of reference for the independent review of financial systems.

- The ESFA receives the outcome of the independent review of financial systems
- The ESFA receives full minutes and notes of all board meetings held during 2018/19.
- The ESFA receives the outcome of the independent governance review.
- The ESFA receives and agrees the trust's action plans in response to the reviews of governance, financial management and internal control.
- The action plans resulting from the reviews into finance controls, governance and resulting from the SRMA are regularly updated by the trust and reviewed with the ESFA.
- All recommended actions are signed off by the board and the ESFA.
- The ESFA receives monthly updates from the trust that detail sufficient progress in this area.
- A retrospective review of trust appointments is conducted by the trust.
- The ESFA receives the outcome of the retrospective review.
- The ESFA is satisfied that all appointments are in line with the recruitment and security requirements detailed in KCSIE.
- The trust appoints four RSC nominated trustees to the board.
- The ESFA receives evidence in writing to confirm these appointments from the trust.
- The ESFA consistently receives all minutes and notes following all board and sub-committee meetings throughout the remainder of the 2019/20 academic year.
- The ESFA receives confirmation from the trust that all trustees have undergone refresher training and are aware of their responsibilities.
- The trust implements an RPT policy which incorporates the requirements of the AFH and updates its scheme of delegation regarding trustee oversight and approval of RPTs.
- RPTS are reflected appropriately in the 2019/20 audited accounts.
- The trust provides the ESFA with a written report confirming the number of RPTs, providing evidence of value for money and showing a breakdown of the 'at cost' prices paid compared to the commercial quotes.

[REDACTED]

[REDACTED]

- The trust implements a policy for the management of novel, contentious and repercussive transactions or updates its current policies and scheme of delegation to ensure that these transactions are considered regularly at all levels and escalated accordingly if appropriate.
- The trust includes discussion of any novel, contentious and repercussive transactions as a standing item on board meeting agendas.
- The ESFA receives confirmation of trustee refresher training showing that trustees are aware of their responsibilities.
- The ESFA receives evidence that the structure of board meetings have been reviewed and improved.

- The trust implements strong sub-committees.
- The ESFA receives meeting minutes that evidence challenge from trustees and members.
- There ESFA receives evidence that is a schedule of regular board, members and sub-committee meetings in place for 2019/20.
- The trust ensures there is significant separation between members and trustees until the majority of members are independent from the board of trustees.
- The ESFA receives meeting minutes that evidence challenge of trustees and the executive team from members.
- The trust will increase the number of members from three to five in line with departmental advice of best practice.
- The ESFA receives a report following the ICT audit.
- The trust actions any follow-up recommendations the ESFA puts in place to regularise processes.
- The ESFA receives an updated five-year financial plan and 18-month cash flow forecast.
- The trust meets with the ESFA on a monthly basis.

45. The conditions compliance table in Annex B advises the Trust of the evidence required and timescales given for the Trust to be deemed compliant with this Notice.

46. When the Trust meets all the conditions outlined in this annex, is fully compliant with the AFH and no other breaches have been identified, the ESFA will write to the Trust to confirm that the Notice has been lifted.

Table of conditions

The table below summarises the conditions that have been placed upon Trinity London Academy Trust (“the Trust”). It sets out the evidence the Trust must provide, and the timescales the Trust must meet, to show that they have complied with the Financial Notice to Improve (“the Notice”). All conditions set out in the table must e met before the Notice can be lifted.

Condition		Evidence required to show compliance with the notice	Timescale
1	<p>The trust is required to:</p> <p>Arrange an independent review of financial management and internal controls to be undertaken in April 2020. The terms of reference and party undertaking the review must be agreed with the ESFA, and the report must be shared with the ESFA by the end of April 2020.</p>	<p>Compliance will be demonstrated when:</p> <ul style="list-style-type: none"> - The ESFA receives and agrees the terms of reference for the independent review of financial management and internal controls. - The ESFA receives the outcome of the independent review of financial management and internal controls. 	<p>27 March 2020</p> <p>30 April 2020</p>
2	<p>Provide the ESFA with full minutes and notes of all board meetings held during 2018/19 by 20 March 2020.</p>	<ul style="list-style-type: none"> - The ESFA receives full minutes and notes of all board meetings held during 2018/19. 	<p>20 March 2020</p>
3	<p>Provide the ESFA with a copy of the report following the existing independent governance review already agreed and initiated by the end of April 2020.</p>	<ul style="list-style-type: none"> - The ESFA receives the outcome of the independent governance review. 	<p>30 April 2020</p>
4	<p>Prepare an action plan in response to recommendations from both the review of financial management and internal controls and the review of governance, and this must be agreed with ESFA officials by 15 May 2020.</p>	<ul style="list-style-type: none"> - The ESFA receives and agrees the trust’s action plans in response to the reviews of governance, financial management and internal control. - The action plans will be regularly updated by the trust and reviewed with the ESFA. - All recommended actions are signed off by the board and the ESFA. 	<p>15 May 2020</p>

5	Prepare an action plan in response to the recommendations from the SRMA, and this must be agreed with the ESFA by the end of May 2020. This plan must demonstrate the timings when all the recommendations will be implemented.	<ul style="list-style-type: none"> - The ESFA receives and agrees the trust's action plans in response to the recommendations from the SRMA. - The action plans will be regularly updated by the trust and reviewed with the ESFA. - All recommended actions are signed off by the board and the ESFA. 	Until all recommendations are signed off.
6	Continue working with the RSC's Office to facilitate the smooth transfer of the academy into an appropriate Multi Academy Trust (MAT) by 1 September 2020, and with the ESFA for the trust's subsequent wind-up.	<ul style="list-style-type: none"> - The ESFA receives monthly updates from the trust that detail sufficient progress in this area. 	20 March and monthly thereafter until the trust joins a MAT.
7	Conduct a retrospective review of all trust appointments ensuring that all background checks have been fully completed and references followed up and verified by 20 March 2020 and share a copy of the report with the ESFA by 7 April 2020.	<ul style="list-style-type: none"> - A retrospective review is conducted by the trust. - The ESFA receives the outcome of the retrospective review. - The ESFA is satisfied that all appointments are in line with the recruitment and security requirements detailed in KCSIE. 	7 April 2020
8	Immediately strengthen the trust board and consider the introduction of a minimum of four RSC nominated academy trustees to support the current trust – new trustees should begin to be introduced no later than 27 March 2020.	<ul style="list-style-type: none"> - The trust appoints four RSC nominated trustees to the board. - The ESFA receives evidence in writing to confirm these appointments from the trust. 	27 March 2020
9	Increase the regularity of all board and sub-committee meetings to twice a term, all minutes and notes to be shared with the ESFA at the earliest opportunity after each meeting throughout the 2019/20 academic year.	<ul style="list-style-type: none"> - The ESFA consistently receives all minutes and notes following all board and sub-committee meetings throughout the remainder of the 2019/20 academic year. 	31 August 2020
10	Ensure all trustees are aware of their responsibilities as directors under the companies Act, Academies Financial Handbook and as trustees under Charity Commission guidance – the trust should confirm refresher training for trustees and arrange for this to be completed by April 2020.	<ul style="list-style-type: none"> - The ESFA receives confirmation from the trust that all trustees have undergone refresher training and are aware of their responsibilities. 	30 April 2020

11	Ensure that there are robust measures in place to acknowledge and manage related party transactions and that these are reflected appropriately in the audited accounts by December 2020.	<ul style="list-style-type: none"> - The trust implements an RPT policy which incorporates the requirements of the AFH and updates its scheme of delegation regarding trustee oversight and approval of RPTs. - RPTS are reflected appropriately in the 2019/20 audited accounts. 	31 December 2020
12	Ensure that all current and historic related party transactions are fully accounted for and regularised and provide evidence of this to the ESFA by the end of March 2020 and that these are reflected appropriately in the audited accounts by December 2020.	<ul style="list-style-type: none"> - The trust provides the ESFA with a written report confirming the number of RPTs, providing evidence of value for money and showing a breakdown of the 'at cost' prices paid compared to the commercial quotes. - Current and historic RPTs are reflected appropriately in the 2019/20 audited accounts. 	31 March 2020 31 December 2020
13	Ensure that there are robust measures in place to notify and seek approval from the ESFA of any potential novel, contentious and repercussive transactions by the end of May 2020.	<ul style="list-style-type: none"> - The trust implements a policy for the management of novel, contentious and repercussive transactions or updates its current policies and scheme of delegation to ensure that these transactions are considered regularly at all levels and escalated accordingly if appropriate. - The trust includes discussion of any novel, contentious and repercussive transactions as a standing item on board meeting agendas. 	31 May 2020
14	Ensure that proper arrangements, in line with Departmental preference and best practice, are put in place whereby there is sufficient independence to offer robust challenge and hold the CEO and current Accounting Officer to account for the management of the budget/finances and general operation of the trust by the end of the 2019/20 academic year – the ESFA will consider a further financial management review visit in May 2020 to assess the trust’s progress.	<ul style="list-style-type: none"> - The ESFA receives confirmation of trustee refresher training showing that trustees are aware of their responsibilities. - The ESFA receives evidence that the structure of board meetings have been reviewed and improved. - The trust implements strong sub-committees. - The ESFA receives meeting minutes that evidence challenge from trustees and members. - The ESFA receives evidence that there is a schedule of regular board, members and sub-committee meetings in place for 2019/20. 	31 August 2020
15	Ensure that proper arrangements, in line with Departmental preference and best practice in the AFH 2019 paragraphs 1.3 and 1.5, are put in place whereby there is sufficient independence between members and trustees to offer robust challenge and hold the	<ul style="list-style-type: none"> - The trust ensures there is significant separation between members and trustees until the majority of members are independent from the board of trustees. 	31 August 2020

	Chair, board of trustees and Accounting Officer to account for the management and general operation of the trust.	<ul style="list-style-type: none"> - The ESFA receives meeting minutes that evidence challenge of trustees and the executive team from members. - The trust will increase the number of members from three to five in line with departmental advice of best practice in paragraph 1.3 of the AFH 2019. 	
16	Conduct an audit of all ICT equipment, ensuring it complies with grant funding requirements by 1 April 2020. As part of this, the trust should complete an inventory of items purchased, recording the date of purchase. This should then be compared to the items held onsite and the records of items sold to staff. The trust should provide ESFA with the outcome of this review, highlighting the number of items unaccounted for and whether any items have been sold before the end of their useful life by 30 April 2020. ESFA will then take a view on the outcome of this work.	<ul style="list-style-type: none"> - The ESFA receives a report following the ICT audit. - The trust actions any follow-up recommendations the ESFA puts in place to regularise processes. 	30 April 2020
17	Continue to work with a supporting sponsor and submit an updated five-year financial plan and 18-month cash flow forecast to the ESFA by 4 May 2020.	<ul style="list-style-type: none"> - The ESFA receives a five-year financial plan and 18-month cash flow forecast by 4 May 2020 	4 May 2020
18	To meet with the ESFA on a monthly basis until the FNTI is lifted.	<ul style="list-style-type: none"> - The trust meets with the ESFA on a monthly basis. 	Monthly until the FNTI is lifted.
19	<p>The trust is required to:</p> <ul style="list-style-type: none"> a) Comply with the funding agreement requirement to submit all audited financial statements to the ESFA on time and without qualification. b) Submit the Budget Forecast Return Outturn (BFRO) by the deadline required by the ESFA. <ul style="list-style-type: none"> ▪ c) The Trust is required to submit the Budget Forecast Return (BFR) by the deadline required by the ESFA. <ul style="list-style-type: none"> ▪ ▪ d) Contact the ESFA at an early stage if it believes it is not able to 	<ul style="list-style-type: none"> - The ESFA receives audited financial statements by 31 December 2020, each year until the FNTI is lifted. - The ESFA receives BFRO by date required, each year until FNTI is lifted. - The ESFA receives BFR by date required, each year until FNTI is lifted. - Returns show recovery in line with the Trust financial plan. 	<p>Submit audited financial statements by 31 December 2020, each year until the FNTI is lifted.</p> <p>Submit BFRO by date required, each year until FNTI is lifted.</p> <p>Submit BFR by date required, each year until FNTI is lifted.</p>

	follow is falling behind the schedule set out in their Trust financial plan.		
20	The Trust requests approval from the ESFA, in advance, for any actions under the revoked freedoms in Part 3 and Annex B of the AFH. These requests should be sent using the esfa-enquiry-form . Retrospective approval will be deemed as a breach of the AFH.	- The Trust must submit a request for approval for any actions relating to the delegated freedom revoked under the terms of the FNtl.	Until the FNtl is lifted.
21	Ensure that all necessary trustee contact details are up to date.	- All fields specified in GIAS for the individuals must be completed before the FNtl can be lifted. The trust must ensure its record on Get information about schools for the individuals remains up to date.	4 weeks