



Education & Skills  
Funding Agency

## ESFA Investigation Outcome report

### Provider: Lampton School Academy Trust

#### Background

Between April 2022 and October 2023 the Education and Skills Funding Agency (ESFA) investigated the following concerns related to historic financial irregularity at Lampton School Academy Trust (Registered Office Hounslow, Middlesex):

- Irregular payments made to staff members
- Malpractice concerning a salary increase
- Suspected forgery of signatures and documents

#### Outcomes of the investigation

- Some of the issues reported occurred prior to the academisation of the trust in 2010. The ESFA investigation examined the arrangements for additional payments included as part of a senior staff member's salary from 2011 to 2015 which became pensionable. The investigation found that there was authorisation for these from the relevant committees. One of the committees was not quorate at the time of decision making however, and the Board was unaware of this when it subsequently ratified the decision. Conflicts of interest had not been managed appropriately and there was insufficient evidence that the interests of the trust were at the forefront of the trust's decision making process. This resulted in the trust having additional financial commitment that may not have been necessary. The investigation was unable to identify whether there was a quantifiable financial loss to the trust.
- The investigation reviewed historic payments of up to £2000 to other staff members that occurred on an ad-hoc basis up until 2017. The investigation found that whilst the majority of these had rationale, for example, for additional work duties, there were several payments for which the rationale could not be established. The investigation was unable to establish all of the facts because of the length of time between the event and the investigation and the absence of documentation held by the trust.
- The concerns around alleged signature forgery on a document occurred prior to academisation. The investigation was unable to draw conclusions on this issue.

- The trust had been informed by the department in 2012 that its governance arrangements required strengthening. The investigation found that this had not been addressed. There were ineffective governance arrangements at the time of events and inadequate record keeping to support the rationale for some decisions taken.

The following breaches of the Academy Trust Handbook (ATH) (formerly the Academy Financial Handbook (AFH)) were identified:

Framework	Breach	Issue
Non-compliance with Mandatory AFH/ATH requirements from <a href="#">2015</a> .  *As per the <a href="#">ATH 2015</a> :	Sections:  1.5.13          1.5.19	Roles and responsibilities:  1.5.13 - Responsibilities of trustees: Specifically, the trustees' lack of compliance with statutory duties comprising of:  exercising independent judgement, reasonable care, skill and diligence, avoiding conflicts of interest etc. This contributed to inadequate and ineffective governance arrangements.  1.5.19 - Responsibilities of the academy trust's accounting officer:  There was insufficient assurance that the Accounting Officer had demonstrated high standards of probity in the management of public funds. Specifically, not ensuring conflicts of interest were managed appropriately and a financial commitment on the part of the trust that may not have been necessary.



Issue	Prevention
Roles and Responsibilities – Trustees/AO	<p>Trusts should create a guidance document which sets out in detail the roles and responsibilities of the Members, Trustees, the Accounting Officer and the Chief Financial Officer.</p> <p>Trusts can also refer to part 1 of the ATH which also details the roles and responsibilities of these positions.</p> <p>Trusts should also ensure that the trustees engage with relevant training to enable them to fulfil their duties and should observe guidance relating to the length of trustee terms.</p>
Main financial requirements – basic control principles	Trusts must ensure that they have robust internal control, risk management and assurance processes in place. Trusts should ensure that they have clear procedures, appropriate day to day supervision by their Management Team, internal scrutiny overseen by their Audit and Risk Committee and an external audit function.
Segregation of duties	Trusts must ensure that delegated financial authorities are operating and that they have a robust process for independent checking of financial controls, systems, transactions and risks.