



cutting through complexity™

The Role of the Responsible Officer

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The Role of The Responsible Officer

- As part of the conversion to Academy status each School is required to appoint a Responsible Officer.
- The aim of the role is to “.....**monitor and check the operation of the financial management arrangements that have been established and are operated by officers of the academy**”.
- This is a formal role, and Academies are required to notify the DfE as to who will fill the role.
- The RO post is intended to provide an independent oversight of the academy’s financial affairs.
- The main duties of the RO are to provide the governing body with on-going independent assurance that:
 - the financial responsibilities of the governing body are being properly discharged;
 - resources are being 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.
- Does this sound like the role of an internal auditor to you?

The Role of The Responsible Officer

- The programme of checks to be performed should be agreed with the governing body or Finance & General Purposes Committee (as appropriate).
- After each checking session the RO should provide the governing body or the Finance & General Purposes Committee with a written report.
- The RO should not be a member of the Finance & General Purposes Committee, as he or she may find it necessary to criticise the workings of that Committee.
- Instead, the RO should report to the Finance & General Purposes Committee in an advisory capacity.
- This still sounds like an internal audit role to me.

So Who Can be the Responsible Officer

- The RO should be a governor (but not the chairman), or an appropriately qualified and experienced individual not on the academy staff.
- It is important that the RO has the necessary financial interest and skills to be able to perform the role competently.
- A recognised professional qualification is not necessary.
- What's important is that they are able to show that the responsibilities being undertaken are fully understood and the importance of the role is recognised.
- They should also have sufficient understanding to recognise any irregularities which may arise and sufficient authority to ensure they are addressed.
- Some Governing Bodies have struggled to make a suitable appointment, and have come up with alternative arrangements.
- Some have asked an organisation associated with a Governor (who takes on the RO role) to provide support to the RO – for example
 - The internal auditors of their business
 - The finance Department of their business
 - Another partner organisation
- Alternatively the Governing Body could appoint a firm of auditors to support the RO in their role – but **NOT** to be the RO.

So What Does the Responsible Officer Do

- The RO is not expected to do any detailed accountancy work - but is required to check some transactions to ensure that the correct procedures have been followed.
- The types of things which RO's reviews tend to cover are:
 - Review that bank reconciliations have been carried out each month, including a review of validity of reconciling items;
 - Review of the monthly payroll to ensure that any changes have been appropriately authorised;
 - Check of a sample of orders to delivery notes and invoices to ensure that the documentation is complete;
 - Check of a sample of payments back to invoices, orders and delivery notes;
 - Review of a sample of expense claims to ensure there is appropriate documentation to support the claim;
 - Review the returns to the DfE to ensure the information supplied is consistent with the underlying accounting records and internal management reports;
 - Carry out spot checks of petty cash balances and supporting vouchers; and
 - Review all major contracts and ensure formal tendering procedures exist and are being adhered to.

Confusion Over the Role

- There seems to be a deal of confusion across the sector about the role.
- This isn't helped by some of the audit firms who are offering to do the role of RO rather than supporting the RO.
- There is some confusion amongst the Heads and Governors – one Head stated that he was going to be the Accounting Officer AND the RO.
- Some Governing Bodies state that they don't know who to put in the role as anyone with finance expertise is on the Finance Committee.
- Some Governing Bodies don't seem to understand the relevance of the role in terms of them over-seeing the financial systems and processes in the Academy.
- Some seem to think it is a nominal role which anyone can fulfill.

Will the Role Continue

- The role of the Responsible Officer was established when the original Academies came on stream in 2006.
- The Academies sector has changed significantly since then.
- Prior to last years' election there were @ 200 Academies across the country.
- There are now 1,286 Academies.
- In addition to Academies, we now have:
 - Free Schools
 - Technical Academies
 - Studio Schools
 - UTC's

Will the Role Continue

- All of these operate under the Academies legislation and are required to have a Responsible Officer.
- The YPLA – soon to be the Education Funding Agency is currently debating whether the role should continue
- Seems to be two schools of thought within the YPLA
- That all Academies should have a formal Internal Audit Service
- That the nature of the sector is so disparate that you can't legislate for this
- They seem to be coming to a view that there could be a middle ground
- Here the requirements for an RO or an Internal Audit Service are judged on the size of the Academy or whether they are part of a chain or group of Academies
- We'll have to watch this space – see what happens when the revised Financial Handbook is released “shortly”.