Ashley Hill Multi Academy Trust

Internal Scrutiny Summary Report

Year 2020 - 2021

Introduction

Independent assurance that the trust's financial and other controls, and risk management procedures are operating effectively, is provided to the Board of Directors, through a process of internal scrutiny directed by the trust's AHMAT Finance & Audit & Risk Committee.

The AHMAT Finance & Audit & Risk Committee in 2019 (appointed by the board), and met 3 times during the academic year 2020 -- 21. The Committee board members are:

- Director – Finance Responsibilities
- Director – Chair of Bisham Local Governing Body
- Director – Chair of Knowl Hill Local Governing Body
- Director – Chair of White Waltham Local Governing Body
- CEO who is treated for all purposes as being an ex-officio member

Internal Scrutiny

The Trust has an established approach to risk management, including the maintenance of a trust-wide risk register that is regularly reviewed by AHMAT Finance & Audit & Risk Committee. We have used our view on risks facing the trust and the related assurances available to direct our internal scrutiny work for the year.

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.
In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Directors;
- regular reviews by the finance and audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

An internal assurance review was undertaken of Ashley Hill Multi Academy Trust in accordance with the terms of engagement between Bishop Fleming and Ashley Hill Multi Academy Trust on the 04.03.21

Bishop Fleming conducted a 1 day internal assurance review. Due to Covid-19 pandemic this review was conducted remotely with evidence uploaded onto a central system for scrutiny. The scrutiny was not hindered or impacted in any way by working remotely.

The review has been undertaken to provide an independent assurance report to the Academy's Finance and Audit & Risk Committee on the adequacy and effectiveness of the financial control environment operating within the Trust in accordance with the requirements contained in the Academies Financial Handbook.

Areas Reviewed in 2020 - 21

The following areas were selected to check for compliance:

- testing of payroll systems – 11 tests
- testing of fixed assets and building costs – 7 tests
- testing of Covid – 19 exceptional costs – 2 tests

- testing of accruals and prepayments systems – 4 tests
- testing of previous Internal Scrutiny recommendations – 3 tests

The following testings were completed in each area:

Payroll

1. Review of the payroll authorisation process
2. Review of the payroll control account reconciliations
3. Agreeing a sample of payroll postings to the payroll reports
4. Review of starters/leavers documentation and recalculation of amounts paid in the month starting/leaving

Fixed assets

1. Agreeing the fixed asset register to the accounting system
2. Review of the process to recognise fixed asset additions
3. Recalculation of depreciation charges on fixed asset additions in the year

Covid-19 extra costs

1. Review of process for recognising exceptional costs
2. Agreeing a sample of claimed costs to invoice to check accuracy

Accruals and prepayments

1. Agreeing the accruals/prepayments schedules to the accounting system
2. Recalculation of a sample of accruals/prepayments

Building works costs

1. Review of payments made against the progress of capital contracts
2. Review of how capital works are being recorded and posted to the accounting system, on a sample basis

Summary of Findings

Internal Scrutiny	🔴	🟡	🟢	⚪	🚫
Payroll	-	-	-	10	1
Fixed Assets and Building Costs	-	-	-	7	-
Covid-19 Exceptional Costs	-	-	-	2	-
Accruals and Prepayments	-	-	-	4	-
Follow up on previous recommendations	-	-	-	3	-
TOTAL	-	-	-	**26**	**1**

TRAFFIC LIGHT SYSTEM COLOUR KEY

Matters that we consider should be brought to your attention and recommendations we have for possible improvements are summarised in the columns in the report - the final 'outcome' column uses a 'traffic light' system.

The key is as follows:	
	This recommendation must be addressed as a matter of priority, as the required internal controls are not currently in place.
	This recommendation should be addressed as weaknesses have been identified with the current internal controls.
	This recommendation will improve the current internal controls and be in line with best practice.
	No recommendation, as the internal controls in place are sufficient.
	At the time of our visit there was nothing to report on this particular area.

As a result of their testing, Bishop Fleming, found no weaknesses in the systems of internal control in the areas tested. Therefore, no recommendations for improvements have been made.

Internal Scrutiny for 2021 - 2022

The Board of Directors has decided:

- For the financial year 2021-2022 the company Bishop Fleming has been appointed to conduct the internal assurance
- James Cowper Kreston have been appointed as our auditors for financial year 2021-2022 in compliance with Academies handbook 2021.

Therefore, the trust has appointed two different auditing bodies to conduct the internal scrutiny arrangements and external audit thus complying with the requirements of the Academies handbook 2021.