Ashley Hill Multi Academy Trust

Internal Scrutiny Summary Report

Year 2019 - 2020

Introduction

Internal scrutiny is a process that provides independent assurance to the Board of Directors that its financial and other controls, and risk management procedures, are operating effectively. As a minimum, it involves a series of tests to ensure systems are effective and compliant but goes beyond mere transaction checking.

The programme of internal scrutiny is informed by the AHMAT Trust's Risk Register, which is owned by the Board of Directors and overseen by the AHMAT Finance and Audit committee.

The Board of Directors and audit committee identify how well risks are managed, how effective our processes are and how agreed procedures are being followed, as well as identifying areas where efficiencies or change should be made.

The risk management process is iterative and ongoing and is influenced by the findings of the programme of internal scrutiny which in turn inform the risk register. The planning of the programme of internal scrutiny is a risk-based joint enterprise between the Board of Directors , the AHMAT Finance and Audit committee, RO and the auditors appointed to conduct the internal scrutiny.

The Accountable Officer has prepared the following summary of the internal scrutiny work commissioned by the Board of Directors over the course of the year ending August 2020 from our internal assurance provider, James Cowper Kreston.

We have included the areas reviewed, the key findings and recommendations arising with our associated management responses.

Trust overview

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Directors of Ashley Hill Multi Academy Trust are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Ashley Hill Multi Academy Trust.

The Academy Trust was opened on 1st September 2014 with Knowl Hill CE Academy and White Waltham CE Academy, and Bisham C of E Academy joined on 1st September 2017. It is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

Details of the Directors who served throughout the period, except as noted, are included in the Reference and Administrative Details below.

The Trust operates Bisham CE Academy, Knowl Hill CE Academy and White Waltham CE Academy in Maidenhead, Berkshire. Its academies have a combined pupil capacity of 630 and had a roll of 426 in the school census on 1st October 2020.

Members	Oxford Diocesan Board of Education C Haines G Joyner (Oxford Diocesan Board of Education) W Stileman
Directors	C Haines H Macdonald A Eden (Responsible Officer) I Cooke (CEO and Accounting Officer) C Pitteway S Kemmis - Resigned 01.01.20 H Hall C Warne – Appointed 04.02.20
Company Secretary	S Province – Appointed 01.09.19
Senior Leadership Team	I Cooke (CEO) M Thompson (Head of School – White Waltham) N Bourner (Head of School – Knowl Hill) L Morel (Head of School – Bisham)
Registered Office	Ashley Hill Multi Academy Trust (wef 01.09.19) Church Lane Marlow Bucks SL7 1RW
Company Registration Number	08163445 (England & Wales)
Independent Auditor	James Cowper Kreston 8th floor, Reading Bridge House, South, George St, Reading RG1 8LS
Bankers	Lloyds Maidenhead Branch 45 High St Maidenhead, Berkshire SL6 1JS
Solicitors	Winckworth Sherwood 16 Beaumont Street Oxford OX 2LZ

The Board of Directors normally meet once each term. The Board of Directors establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of the Finance & Audit Committee. In addition, it monitors the activities of the Local Governing Bodies through the minutes of their meetings, reports from Chairs of Local Governing Bodies, and views all monitoring paperwork. The Board of Directors may from time to time establish working groups to perform specific tasks over a limited timescale.

There is a Finance and Audit Committee that meets termly. The F & A Committee has its own terms of reference detailing the responsibilities discharged to it. Its membership is:

- 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

The following decisions are reserved to the Board of Directors:

- to consider any proposals for changes to the status or constitution of the Academy and its committee structure;
- to appoint or remove the Chair and / or Vice Chair;
- to appoint and / or consider the performance management of the CEO; and
- to appoint the Company Business Manager.

The Directors are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Directors have devolved the day-to-day management of the Academy to the Executive Principal and the Senior Leadership Team ('SLT'). The SLT comprises the CEO, and the Head of Schools. The SLT implement the policies laid down by the Directors and the CEO reports back to them on performance.

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 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.

The responsible officer's (RO) conducted an internal financial scrutiny of the Trust's financial systems. The following areas were selected to check for compliance:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of income systems
- testing of accounting systems

The Autumn processes and system were checked by the RO on the 10.03.20, no actions were identified from the check by RO.

An internal assurance review was undertaken of Ashley Hill Multi Academy Trust in accordance with the terms of engagement between James Cowper Kreston and Ashley Hill Multi Academy Trust on the 08.06.20.

Due to Covid-19 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 Committee on the adequacy and effectiveness of the financial control environment operating within the Academy in accordance with the requirements contained in the Academies Financial Handbook.

Where weaknesses in the systems of internal control have been identified, we have included recommendations for improvements. We have reviewed recommendations made in previous reports to ensure improvements have been made.

Work performed by James Cowper Kreston on 08.06.20

The areas selected for internal scrutiny coverage for the year were:

- Regularity and Compliance
- Month End Procedures
- Procurement
- Payments
- Income
- Payroll

During online scrutiny in June 2020 representing 1 day of work, James Cowper Kreston performed testing on the core financial control processes operating at the trust. The findings are summarised below. As a result of their testing, James Cowper Kreston raised 4 recommendations which were all low risk:

Review area	**Number of recommendations**		
Regularity and Compliance	0	0	0
Month End Procedures	0	0	2
Procurement	0	0	0
Payments	0	0	1
Income	0	0	0
Payroll	0	0	1
Total	**0**	**0**	**4**

See appendix for rating and recommendations at end of report.

The green rated recommendations raised by James Cowper Kreston are summarised below, together with our management response and progress made since the visit in implementing the recommendations made:

Area	Recommendation	Due date / Person responsible	Management response	Current position
Month End Procedures	Ensure fixed asset register shows the source of funding for each asset.	November 2020 by FO	Codes assigned to income inline with recommendation.	Implemented
Month End Procedures	Ensure accrued and deferred income balances are calculated at the year end and any prior year estimates are reversed	November 2020 by FO	Audit has corrected previous years accruals and prepayments. Going forward, FO will maintain this on a monthly basis.	Implemented
Payments	Policy on setting up or changing supplier payments details is not currently documented in the Financial Procedures Manual.	September 2020 by FO	Procedure included in AHMAT Financial Procedures	Implemented
Payroll	Ensure pay rise letter are always issued	September 2020 by BM	This has been actioned and all letters have been sent out for annual increment and national pay rises September 2020 for support staff and teachers.	Implemented

Internal Scrutiny for 2020 - 2021

The Board of Directors has decided:

- For the financial year 2020-2021 the company Bishop Fleming has been appointed to conduct the internal assurance
- James Cowper Kreston have been appointed as our auditors for financial year 2020-2021 in compliance with financial handbook 2020.
- Use a Director to perform Responsible Officer duties

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 newly revised FRC Ethical Standard for auditors where a firm providing external audit to an entity shall not also provide internal audit services to it.

Appendix - traffic light system colour key for internal assurance recommendations

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.