**Internal Scrutiny Report**

**2021-22**

**Academy trust: Shenfield High School**

**Review: March 2022**

**Executive Summary**

This report provides assurance that adequate controls are being operated within the trust, based on the understanding that the information provided during the review is accurate and complete. It should be noted however that recommendations to improve controls, if implemented, cannot guarantee that fraud or misappropriation could not occur.

Recommendations raised in the report issued should be considered by the board of trustees / Audit and Risk Committee to assist them in providing assurance over the suitability of, and compliance with, the systems and operational controls in place.

No fraud was identified or reported to us for the 2021-22 period. It remains the responsibility: of management to manage the control environment to help identify potential fraud and prevent the likelihood of fraud occurring.

**Introduction**

The Academy trust handbook section 3.1 specifies “all academy trusts **must** have a programme of internal scrutiny to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively”. Providing that the trust has selected a scope of work for financial and non-financial controls and has considered its risk register, this Internal Scrutiny Annual Report demonstrates how the trust meets the Academy trust handbook requirement for financial areas.

**Review 2 Scope:**

|  |  |
| --- | --- |
| **Governance Framework** | **Income** |
| Internal scrutiny of controls and processes relating to Policies, Transparency, Publication of information. | Review to determine the controls and process in place for income and, if applicable, testing to determine the effectiveness of the controls. |
| Financial Oversight & Appointments | Meals |
| Related Party Transactions - Register of Interests | Trips and activities |
| Related Party Transactions - Declaration of Interest Forms | Online income |
| Related Party Transactions - Conflicts of Interest | Unresolved issues |
| Related Party Transactions - Reporting |  |
| Transparency - Publication |  |
| Transparency - GIAS |  |
| Suitability of members |
| Gifts |
| Risk |
| Business Continuity |
| Internal Scrutiny - Audit and Risk Committee |
| Whistleblowing |
| Unresolved Issues |

**Individual recommendations Key:**

**High Priority**: Trustees must review this recommendation as a priority.

**Medium Priority:** Internal controls should be strengthened to minimise risk**.**

**Low Priority**: Internal control could be strengthened in line with best practice, but little risk of material loss.

**Summary of Findings**

| **High Priority** | | | |
| --- | --- | --- | --- |
| Governance Framework | | | |
| Transparency - Register of Interests | At the time of the review the register of interests did not detail all current members, trustees, local governors and senior employees. | Section 5.45 of the Academies trust handbook states that  "The academy trust's register of interests must capture relevant business and pecuniary interests of members, trustees, local governors and senior employees." | |
| Management Response: | Responsibility: | Due Date: |

| **Medium Priority** | | | |
| --- | --- | --- | --- |
| Governance Framework | | | |
| Transparency - Publication | The accuracy of the register of interests could not be verified, therfore it is not possible to verify the information published on the website. | Section 5.48 of the Academies trust handbook states: "Trusts must publish on their websites relevant business and pecuniary interests of members, trustees, local governors and accounting officers. Trusts have discretion over the publication of interests of other individuals named on the register. The Charity Commission offers guidance in Manage a conflict of interest in your charity and CC29: Conflicts of interest: a guide for charity trustees." | |
| Management Response: | Responsibility: | Due Date: |

| **Low Priority** | | | |
| --- | --- | --- | --- |
| Governance Framework | | | |
| Transparency - Register of Interests | It could not be verified that the register of interests would clearly capture all of the relevant business and pecuniary interests for members, trustees and senior employees as set out in the Academies trust handbook. | Section 5.45 of the Academies trust handbook states that "The academy trust's register of interests must capture relevant business and pecuniary interests of members, trustees, local governors and senior employees, including:   - relevant directorships, partnerships and employments with businesses,   - trusteeships and governorships at other education institutions and charities,  - for each interest: the name and nature of the business, the nature of the interest and the date the interest began. | |
| Management Response: | Responsibility: | Due Date: |

| **Notes** | |
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| Governance Framework | |
| Transparency - Publication | The academy trust should consider publishing a Governance Scheme of Delegation. As a document, the scheme of delegation should be as simple and systematic as possible, so that the members, trustees, board committees, and executive leaders are all clear about their roles and responsibilities within the governance structure. |
| Internal Scrutiny – Audit & Risk Committee | The functions of an audit committee are performed by the Finance Committee. It was noted that there are members of staff who are members of the Finance Committee.  Section 3.11 of the Academy trust handbook states where the academy operates a combined Finance and Audit Committee employees may be members but should not participate as members when audit matters are discussed; they may remain in attendance to provide information and participate in discussions. |

# KEY CONTACTS

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| --- | --- |
| **Juniper Education Review Consultant** | Sian Smith |
| **Juniper review overseen by** | Joanne Ward FCCA |
| **Information Provided by** | Finance Manager |
| **Exit meeting attended by** | Finance Manager |
| **Chair of the Board of Trustees** | Jane Swettenham |
| **Chair of Resources Committee** | Katherine Boulton |
| **Headteacher** | Carole Herman |
| **Business Manager** | Stuart Roberts |
| **Finance Manager** | Dawn Matthews |
| **Financial Accounting System** | FMS |

**EMERGING ISSUES – 2022**

**FINANCIAL HANDBOOK**

The new Academy trust handbook has been released ready for implementation from September 2021. Trustees should ensure that they have read this document and noted any changes to ensure any new requirements are adhered to.

https://assets.publishing.service.gov.uk/media/60c8d0318fa8f57ce8c4621e/Academy\_trust\_handbook\_2021.pdf

**CYBER SECURITY**Cyber security has continued to be a growing area of concern and risk over the past 18 months, with more people working remotely and an increased frequency of email hacking, phishing and malvertising. The July 2020 [governance update](https://www.gov.uk/government/publications/school-governance-update/academy-trusts-school-governance-update-july-2020#new-guidance-on-managing-cyber-security-risks-in-your-school) advises that schools should include an assessment of cyber security within their risk registers, and the ESFA have produced further guidance and suggested questions that trustees can ask on the [National Cyber Security Centre website](https://www.ncsc.gov.uk/information/school-governor-questions).