Internal Scrutiny Report

Financial Controls

2023-24

Shenfield High School

Review 1 of 3: November 2023

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 2023-24 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

3.1 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.

The Academy trust handbook specifies

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 Report demonstrates how the trust meets the Academy trust handbook 2023 internal scrutiny requirements.

**Please note that this report is an exception report and therefore only contains the details of any issues arising from the review of the scope of work detailed below.**

Scope

The relevant board, informed by its risk register approved the below scope of work:

|  |  |
| --- | --- |
| **Governance Framework - 1of2** | **Banking** |
| Internal scrutiny of controls and processes relating to Policies, Transparency, Publication of information. | Review to establish the effectiveness of the controls and processes for banking and BACS transactions. |
| Financial Oversight & Appointments | Bank Account Structure |
| Related Party Transactions - Register of Interests | Authorised Signatories |
| Related Party Transactions - Declaration of Interest Forms | BACS |
| Related Party Transactions - Conflicts of Interest | Bank Reconciliation |
| Related Party Transactions - Reporting | Sample testing of bank reconciliations |
| Transparency - GIAS | Cheque payments |
| Suitability of members | Unresolved Issues |
| Gifts |
| Risk |
| Business Continuity |
| Internal Scrutiny - Audit and Risk Committee |
| Whistleblowing |
| Unresolved Issues |

Assessment of policy content for appropriateness is outside of the scope for this review. The trust should satisfy themselves that relevant policies are in place and that the content for each policy is appropriate.

Juniper does offer a separate review examining the policies in place and their content. Please contact the Juniper Audit Manager if this is something the trust would like to consider.

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. |
| Note/area of consideration | Comment for information only |

Summary of Findings

| RAG | Finding | Recommendation |
| --- | --- | --- |
| Governance Framework 1 |
| Low Priority | The following policies have not been reviewed and approved by trustees in the past twelve months:* Gifts & Hospitality
* Whistleblowing policy

The Whistleblowing Policy was also not published on the academy website. | It is advisable to review the policies at least every twelve months.Section 2.40 of the Academy trust handbook states that the trustees must agree a procedure for whistleblowing, and publish it on the trust’s website |
| *Management Response:* |  | *Responsibility / Due Date:* |  |
| Low Priority | The academy’s register of interests does not include all required information as stipulated in the Academy trust handbook. | Section 5.45 of the Academy trust handbook states "The academy trust’s register of interests must capture relevant business and pecuniary interests of members, trustees, local governors and senior employees including:• directorships, partnerships and employments with businesses• trusteeships and governorships at other educational 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:* |  |

|  |
| --- |
| Banking |
| Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified. |

Notes / Areas for Consideration

|  |
| --- |
| Governance Framework 1  |
| Investment Policy | It was advised that the academy has no investments and has no current intention to invest. The academy should be aware of section 2.22 within the Academy trust Handbook should they be able to invest in the future:“The board of trustees may invest to further the trust’s charitable aims but must ensure investment risk is properly managed. When considering an investment, the board must have an investment policy to manage and track its financial exposure and ensure value for money.” |

Key Contacts

|  |  |
| --- | --- |
| Juniper Education Review Consultant | S Smith |
| Juniper Review Programme Manager | J Ward FCCA |
| Information Provided by | Chief Finance & Operations Officer & Finance Manager (S Hatton) |
| Exit meeting attended by | Chief Finance & Operations Officer & Finance Manager (S Hatton) |
| Chair of the Board of Trustees | J Swettenham |
| Chair of the Resources Committee | K Boulton |
| Headteacher / AO | C Costello |
| Chief Finance & Operations Officer / CFO | S Roberts |
| Financial Accounting System | FMS |

**EMERGING ISSUES**

Acquiring and Converting a New School

An education whitepaper published in March 2022, set out the Government’s ambition for all schools to be part of a multi-academy trust by 2030. Trusts will be looking to acquire further schools. Juniper can help with the due diligence for this process. Please contact carly.quickcrockford@junipereducation.org should you require any further information.

Wellbeing

It has been reported that staff stress levels are high, leading to many staff leaving the education sector altogether. Mitigating the impact of stress in the workforce should be implemented into everyday trust life by use of a wellbeing charter and strategies and structures that are put in place. Juniper can assess the general wellbeing of staff and provide suitable recommendations to help improve staff wellbeing and staff retention. Please contact carly.quickcrockford@junipereducation.org should you require any further information.

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).

GDPR

An increasing number of schools are incurring unplanned costs, both direct and indirect, because of the increase in basic, and easily avoidable, data protection incidents and poorly managed school communications. This is combined with the increasing awareness of data subject of their right to bring a claim [on average in the order of £5,000 per claimant], directly against a school, leading to considerable potential risk to a school.  Our GPDR associate has created a briefing video which helps you understand the changing risk to your school and employ some basic strategies and resources to help mitigate them and protect your school against unplanned costs. If you would like access to this briefing, please contact carly.quickcrockford@junipereducation.org

**USEFUL LINKS**

ACADEMY TRUST HANDBOOK

The Academy trust handbook 2023 is effective from September 2023. Trustees should ensure that they have read this document and noted any changes to ensure any new requirements are adhered to.

[Academy Trust Handbook 2023 (publishing.service.gov.uk)](https://assets.publishing.service.gov.uk/media/64f1e2a99ee0f2000fb7bdbf/ATH_2023_FINAL_010923.pdf)

INTERNAL SCRUTINY IN ACADEMY TRUSTS

This good practice guide provides guidance for trustees, audit and risk committees, accounting officers, and chief financial officers (CFOs) in academy trusts.

[Internal scrutiny in academy trusts - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/academy-trust-financial-management-good-practice-guides/internal-scrutiny-in-academy-trusts#annex-1)

Bespoke Reviews

If our portfolio of reviews does not include a particular area of interest or risk identified by the trust board, please contact us to discuss our bespoke review options.

Consulting

Juniper is available to provide consulting services in many areas of running a multi academy trust, from centralisation implementation and restructuring to expansion and attracting schools. Please contact us if you would like more information on our consulting work.

Non-Financial Reviews Offered

PE & Sports Premium Review

Schools must use PE and sport premium funding to make additional and sustainable improvements to the quality of the PE, physical activity, and sport they provide. Our review will look at whether the funding is being used effectively to develop and add to your provision and examine your own evaluation of the impact using the 5 key indicators set out in the DfE guidance.

Pupil & Recovery Premium Review

Evidence shows that disadvantaged children generally face additional challenges in reaching their potential at school and often do not perform as well as other pupils. Pupil and recovery premium grants provide funding for schools to provide extra support for these pupils. Our review team will take on the role of ‘critical friend’, highlighting areas of strength around the school’s approach to the use of the premiums, but also identifying what can be improved.

Safeguarding Internal Scrutiny Review

Keeping pupils safe is a core responsibility of schools and is rightly a key part of legislation and inspection. A safeguarding internal scrutiny review will assure settings of what they are doing well and provide recommendations to further improve practice and meet and exceed statutory expectations.

SEND Internal Scrutiny Review

Children and young people with special educational needs and disabilities should achieve well in their early years, at school and in college, and lead happy and fulfilled lives. Supporting SEND pupils safe is a core responsibility of schools and is rightly a key part of legislation and inspection. A SEND internal scrutiny review will assure settings of what they are doing well and provide recommendations to further improve practice and meet and exceed statutory expectations.

SEND Ofsted Audit

Though Ofsted doesn’t give separate grades for a school’s SEND provision, the evidence gathered is used to inform other judgements. Therefore, schools may find it useful to consider their provision in the same way as an inspection might.

We are pleased to offer an audit focussing on Ofsted criteria, in particular the requirements of paragraphs 360 to 364 of the inspection handbook.

Sustainability Internal Scrutiny Review

Children and young people should have an understanding of the effects that human use of the world’s resources has on them as individuals (including health, wellbeing, and financial wellbeing), the school community, their locality and the world. Our review team will take on the role of ‘critical friend’, highlighting areas of strength around the sustainability agenda, but also identifying what can be improved.

Teaching & Learning Review

Children and young people’s education through the pandemic has suffered. Research is clear that some groups of pupils have fallen further behind than others. A key responsibility of schools is the need to prioritise the teaching of missed content so that pupils will be able to make sense of later work in the curriculum. This includes key knowledge, skills, vocabulary, concepts, and the links between concepts. Our review team will take on the role of ‘critical friend’, highlighting areas of strength around the school’s approach to teaching for education, but also identifying what can be improved.