

Internal Scrutiny Report 2019 / 2020

The AFH requires all trusts to 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 operated effectively. The AFH states that trusts must submit an annual summary report. This report includes areas reviewed, key findings, recommendations and conclusions.

Introduction

In 2019 / 20 the delivery of internal scrutiny at BDAT used a combination of methods detailed below:

1. Financial peer review by the Beckfoot Trust (a local Trust of similar context and size)
2. Bought in external audit services in areas of specialism e.g. safeguarding
3. In house internal audit in areas where the central Trust holds expertise e.g. health and safety

This mix of methods, utilising both in house expertise and external individuals and organisations, are detailed in appendix 1.

BDAT Audit Committee

The Audit Committee comprises of 3 Trustees, and an Independent Chair, with the accounting officer and chief financial officer attending to provide information and participate in discussions. This reflects ESFA regulations and best practice recommendations.

The Audit Committee meets 3 times per year and the internal scrutiny scheme of work is driven and agreed by the committee and informed by risk. Internal scrutiny reports on each area identified in the audit plan, including recommendations where relevant to enhance financial and non-financial controls and risk management are presented at each meeting.

Due to the unprecedented year of 2019 /20 many processes and meetings were conducted remotely. The Internal Financial Audit plan, for example, was revised due to the Covid pandemic to comply with the EFSA guidelines with audits continuing to take place remotely. All original plans have been adapted to ensure that the level of scrutiny would still be compliant whilst aligned with COVID safe risk-assessments.

Summary of areas reviewed

Date of Meeting	Area of Scrutiny	Method of Scrutiny	Output
15th November 2019	Finance Matters – Finance Summary (MAT and academy)	<ul style="list-style-type: none"> • Internal Scrutiny Report – Peer Review • Formal report from CFO 	BVG legacy fund moved to main school budget. Further review to take place (19 -20) Financial Audit Plan agreed (10 schools and central services to be audited)
	Budget Outturn	<ul style="list-style-type: none"> • Formal Report from the CFO • Internal Scrutiny Report - Peer review 	Mandatory training for Heads and School Business Managers



**Bradford Diocesan
Academies Trust**

			relating to financial compliance and regularity.
	Pupil Premium	<ul style="list-style-type: none"> • Scrutinised at three levels, LGB, Internal and External Audit • Internal Scrutiny Report - Peer review 	Added to the Audit Committee Schedule
	Related Party Transaction	<ul style="list-style-type: none"> • Internal Scrutiny report - Peer review 	Confirmation from DFE that they are content with the related party transaction regarding The Classroom partnership
	Estates – SCA and Health and Safety	<ul style="list-style-type: none"> • In house internal audit service - annual health and safety compliance audits and interim reviews. 	All schools reviewed to and all areas up to date.
	Compliance	<ul style="list-style-type: none"> • In house internal audit, the Every system allows for more scrutiny of compliance 	The Every system populated by schools and scrutinised at each board meeting.
	Safeguarding	<ul style="list-style-type: none"> • Bought in internal audit • Specialist 	All academies audited in the last 12 months
	Risk Management	<ul style="list-style-type: none"> • In house internal Audit 	Risk Matrix document shared no red risks for the Trust or any academy
	GDPR	<ul style="list-style-type: none"> • In house internal Audit 	Refresher training on GDPR across the Trust
	SCR	<ul style="list-style-type: none"> • In house internal Audit 	Reviewed at regular interviews by two members of the team. Chair of Audit Committee also reviews this
27th March 2020	Audit Matters	<ul style="list-style-type: none"> • Internal Scrutiny report - peer review <p>Internal Audit report – based on high risk areas including procurement and payroll</p>	All audits to be completed on a rolling cycle over 3 years, with self-assessment taking place for those schools who had not had an audit in that year. School site visits halted due to COVID – 19 Pandemic
	Management Accounts	<ul style="list-style-type: none"> • Formal report from the CFO 	Meetings taking place at school level to discuss budgetary controls and recovery plans where concerning budgets have been noted.
	Governance	<ul style="list-style-type: none"> • Formal Report from HCG 	BDAT Website updated to reflect vacancies across the trust
	Compliance Safeguarding Websites	<ul style="list-style-type: none"> • In house internal audit 	All checks green, remaining audits suspended due to covid pandemic.

Bradford Diocesan Academies Trust – An Exempt Charity - Company No. 08258994

Registered Office: 2nd Floor, Jade Building, Albion Mills, Albion Road, Greengates, Bradford. BD10 9TQ

Tel: 01274 909 120 Email: info@bdot-academies.org Web: www.bdat-academies.org

			Governance team to complete a review of school websites.
	HR	<ul style="list-style-type: none"> • Bought in Internal Audit - Fusion 	4 Checks completed awaiting reports
	Risk Management and Risk Register	<ul style="list-style-type: none"> • In house internal audit • Formal report from COO 	4 high level risk areas were noted. Covid impacts cause additional risks and not included in the report
	Estates – Health and Safety	<ul style="list-style-type: none"> • In house internal Audit • Formal report from Estates and Health and Safety Manager 	9 Health and Safety audits have taken place, 7 complete. Every system alerts users when an item moves into Red A school had undertaken an independent survey of SCA Bids
	COVID - 19	<ul style="list-style-type: none"> • In house internal audit 	Open and Transparent communication across the Trust.
3rd July 2020	Internal Audit Programme 19 / 20 Audit plan for 20/21	<ul style="list-style-type: none"> • Internal scrutiny report - Peer review 	5 Audits completed; 3 reports finalised. A few issues at CCA, elsewhere systems and controls were good. Internal Financial audit plan 2020/21 approved
	Estates and Health and Safety	<ul style="list-style-type: none"> • In house internal audit • Formal report from Estates and Health and Safety Manager 	School improvement from 12 red items to 4.
	Capital Balances	<ul style="list-style-type: none"> • Formal Report from CFO 	A detailed analysis had been completed.
	Management Accounts	<ul style="list-style-type: none"> • Formal Report from CFO 	
	Forecasting and Budgeting	<ul style="list-style-type: none"> • Formal Report from CFO 	Reconciliation work to happen regarding variance in management accounts and how accurate these are.
	Risk	<ul style="list-style-type: none"> • In house internal audit • Formal report from COO 	Risk Register reviewed over the Summer 2020
	Academies Accounts Direction	<ul style="list-style-type: none"> • Formal report from CFO 	Update on the Trustees report to include a section on engagement with employees, suppliers customers and communities.

Recommendations

Following the internal scrutiny, the following recommendations have been made:

1. To ensure that all risk areas are covered the audit committee meeting focusses on the following area of risk to ensure that all areas are covered across the year. We have attempted to theme meetings to ensure, for example, all finance is covered in one meeting. This will allow increased depth of scrutiny and prevent duplication.

December	April	July
<i>Compliance</i>	<i>Operations</i>	<i>Finance</i>
<ul style="list-style-type: none"> • Estates, Health and Safety • Compliance <ul style="list-style-type: none"> - Website - Policy • GDPR • Statutory Accounts 	<ul style="list-style-type: none"> • HR • Recruitment and retention • Culture • IT • Safeguarding • Management information • Governance • Business Continuity plans • Internal Audit Review 	<ul style="list-style-type: none"> • Finance Process • Cash. Bank • Procurement • Management accounts • Payroll • Fraud • Budget

2. A third academy trust is approached to take part in the financial internal scrutiny peer reviews.
3. Trustee participation is reviewed to ensure that while there remains a consistent chair, other Trustees with appropriate skills and knowledge attend the appropriate meetings.

Conclusion

The purpose of internal scrutiny is to provide the board (and EFSA) with assurance that the trust's system of internal control is effective and contributes to strong governance, risk management and control arrangements in the trust. BDAT uses a combination of methods to ensure that internal scrutiny delivers this assurance, with the audit plan being driven and agreed by the audit committee and informed by risk. The meetings are professionally clerked and shared with the full Board of Trustees. These have been attached in appendix 2 for information.

Due to the unprecedented year of 2019/20 and the impacts of the Covid pandemic, some audits have had to be suspended, although where possible these have been held remotely. The audit committee has continued to meet three times throughout the year and at each meeting internal scrutiny reports were provided including recommendations where relevant to enhance financial and non – financial controls.

Signed: R C G.
Chair of Audit Committee

Date: 24/12/20