

Attwood Academies Trust

Governance Statement Attwood Academies Trust 2017/18

Scope of Responsibility

As directors, we acknowledge we have overall responsibility for ensuring that Attwood Academies has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Trust Board has delegated the day-to-day responsibility to the Principal of Bexhill Academy, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Attwood Academies and the Secretary of State for Education. They are also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' report and in the Statement of directors' responsibilities. The Trust Board has formally met 5 times during the year. Attendance during the year at meetings of the Trust Board was as follows:

Director	Meetings attended	Out of a possible
T R Attwood, Chair of Board of Directors	5	5
S M Attwood	4	5
R J Munton	4	5
J P Sale	5	5
C H Sale, Principal and Accounting Officer	5	5
Baroness D Stedman-Scott	0	1
A F X Green	5	5
S C Gough	1	2

The Finance Committee is a sub-committee of the main Trust Board. The purpose of the Finance Committee is to set, monitor and review the use of resources of the Academy, ensuring that income due from grants is received, income generation is promoted and expenditure achieves best value in terms of student outcomes. The Finance Committee also fulfils the responsibilities of an Audit Committee. During the year the principal focuses have been:

- Monitoring and agreeing the terms of a transfer of a leasehold property from the Trust to the ESFA to
- Monitoring the renegotiation of high needs contracts with Local Authorities utilising the placements at Ian
Ian Mikardo High School.
- Monitoring progress at Bexhill Academy on the addressing of legacy latent build defects by ESCC (the
- Monitoring financial operations at Bexhill Academy using an integrated curriculum financial planning

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
T R Attwood	3	3
R J Munton	2	3
J P Sale	3	3
C H Sale, Principal	3	3
A F X Green	3	3
S C Gough	1	2

Review of Value for Money

As Accounting Officer, the Principal of Bexhill Academy has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Trust Board where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Securing agreement with the original Bexhill school building contractor to recognise and address latent defects despite initial refusals to acknowledge these defects. The cost of essential works to floor screed and roofing would otherwise had to have been funded by the Trust, estimated in excess of £500,000.
- Negotiating a lease transfer of redundant facilities in return for capital input from the ESFA that will fund required facilities at Bexhill Academy.
- Significantly reducing administration costs at Bexhill Academy through a review of expenditure areas and renegotiation of contracts.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Attwood Academies for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Trust Board has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Board.

The Risk and Control Framework

The Academy Trust'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 Trust Board;
- regular reviews by the Finance 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 Trust Board has considered the need for a specific internal audit function and has decided to appoint Kreston Reeves as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchases systems
- testing of income systems
- testing of bank reconciliations
- testing of control account reconciliations
- review of governance

On an annual basis, the auditor reports to the Trust Board through the audit committee on the operation of the systems of control and on the discharge of the Trust Board' financial responsibilities.

The internal auditor has delivered their schedule of work as planned, no issues arose from the reports issued during the financial period to 31 August 2018.

Review of Effectiveness

As Accounting Officer, the Principal of Bexhill Academy has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.