

Risk Management

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy Trust's significant risks. The risk register is a working document that is formerly reviewed on a termly basis by the Trust Board

The Risk and Control Framework

The 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;

- Establishment of an effective and consistent assurance framework for all committees
- Comprehensive budget and monitoring systems with an annual budget and monthly periodic financial reports which are reviewed by the Board of Trustees
- Regular review by the Board, Audit committee and Finance, HR and Premises committee of reports which indicate financial performance against forecasts.
- Creating a consistency of approach in key systems and processes across the Trust to mitigate risk of local variance
- Clearly defined purchasing guidelines
- Delegation of authority and segregation of duties
- Internal audit reviews of business processes and risk areas.

On a termly basis, the auditor reports to the board of Trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of Effectiveness

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the systems of internal control. During the year, the review has been informed by:

- the work of the Audit Committee
- the work of the external auditor
- the work of the internal auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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 on-going process designed to identify and prioritise the risks to the achievement of 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.

Internal audit reviews of business processes and risk areas undertaken in the year ending 31 August 2020, covered the following areas;

- Review of the Risk register
- Review of the Financial Procedures manual to ensure fully compliant with Academies Handbook
- Review of compliance against Academies Financial handbook

Any issues identified have been allocated a timescale for completion and will be reviewed by the Audit committee and the Board of Trustees.