

## Testwood School Internal Scrutiny Annual Report FY2019-20

**For the attention of: The Trustees of the Buildings and Finance Committee**

**From: Nick Whitcher, Internal Scrutineer and Testwood Trustee**

**Date: 10<sup>th</sup> January 2021**

### **Exec Summary:**

The overall state of the systems reviewed in what has turned out to be a difficult year to maintain continuity in internal scrutiny, is **“good”**.

The identified gaps relate primarily to the review of the Risk Register, which has not been assessed recently. The content of the Risk Register will be reviewed and will form the basis of a controls assessment in FY2020-21.

### **Introduction:**

The Internal Scrutineer is required under the Academies Financial Handbook 2019 to review and report to the Trustees of the Testwood School Buildings & Finance Panel the robustness of the financial and other systems and processes which take place in School. This is then summarised in a report which accompanies the annual accounts of the School on submission to the ESFA (Academies Financial Handbook section 3.15).

The content (summary findings) in this report was reported to the Buildings & Finance Panel at the Spring 2019-20 Panel meeting.

### **Approach & Opinion**

Where possible meetings are held face to face in School. This has proved to be challenging during Covid-19 restrictions; over-the-shoulder reviews of systems only available in School can't easily be replicated in a video meeting, even with screen-sharing.

Opinion in this financial year has been categorised as **“good”** or **“requires improvement”**. Recommendations under each system/process reviewed have been prioritised using **High/Medium/Low** to indicate urgency.

### **Summary of #1 SCR:**

#### **Opinion**

My opinion is **“good”**. I am satisfied that the School is robustly managing the Single Central Register at this time, particularly with the addition of the review tab. My review evidenced that the Single Central Register exists, is managed by an appropriate member of the Senior Leadership Team, and a simple process exists to maintain it.

#### **Recommendations**

- Other Trustees should take the opportunity to review the SCR when in School (Covid-19 restrictions permitting). **L**
- Review by the Internal Scrutineer should take place, at least once a School year if not once a term. The ability to do this depends on Covid-19 lockdown restrictions. **M**

#### **Management Response**

Not required.

### **Summary of #2 Risk Register**

#### **Opinion**

My opinion is “**requires improvement**”. The Risk Register is a relatively old document that has not been reviewed for a period. It is, however, well-considered in terms of it being a robust register which has recorded on it several risk categories and detailed sub-categories that are highly relevant to the School. Whilst this robust list exists, there is no evidence of ongoing review and application of controls.

#### **Recommendations**

- Create a new Excel version of the Risk Register which will form the basis of a controls review, and which in turn will create recommendations for the Internal Scrutineer program in FY2020-21. **H**
- All systems and processes should be linked to controls that reduce inherent risks to a manageable level and/or an acknowledgement that a certain level of risk exists and is accepted (risk appetite). **H**

#### **Management Response**

Director of Finance and Headteacher have both acknowledged that the Risk Register requires improvement and are working with the Internal Scrutineer to carry out a controls assessment in FY2020-21.

#### **Summary of #3 BCP/DR**

##### **Opinion**

My opinion is “**requires improvement**”. Whilst it exists in hard copy and has clear links to and references procedures such as the Critical Incidents Procedure and Guidelines, it does not evidence how often it is reviewed and the collective documents in the folder have not been reviewed for a period. It is also out of date with regard to other elements of a good practice BCP/DR such as IT incident management.

##### **Recommendations**

- The BCP/DR will be reviewed and revised as a result of the controls assessment and risk management requirement which will be clearly stated in the Risk Register (see above). **M**

##### **Management Response**

Director of Finance has acknowledged that the School BCP/DR requires review and revision as part of the wider controls assessment in FY2020-21.

#### **Follow Up Reviews/Outstanding Actions**

Not applicable.

#### **Overall Opinion of School Control Environment**

My overall opinion is “**good**”. Previous reviews of payroll/HR and procurement processes have indicated that the School has a good level of control over its environment. This report has demonstrated that the “top-down” approach to risk management, starting with a risk register, has not received sufficient attention in recent times and must be addressed.

#### **Fraud**

No fraud was identified.

#### **Cost of Work**

Internal Scrutiny was carried out on a voluntary basis by a suitably experienced Trustee.

#### **Looking Forward**

The review and revision of the Risk Register, subsequent controls assessment, and plan of work on the basis of the assessment is a key activity in FY2020-21 to provide Trustees with assurance as to the operation of the School's systems and processes.