

Griffin

Chartered Accountants

Internal Audit Report

Learning Academy Partnership (South West)

Recruitment, and Governance & regularity

Visit date: 12th December 2024
Issued by: Lucy Harris-Deans



Learning Academy Partnership (South West)

1. Basis of the report

The Academy Trust Handbook requires that all Trusts have a process in place for checking its financial systems, controls, transactions and risks. One of the options laid out for fulfilling this requirement is for the Trust to appoint an internal auditor and it is in this capacity that we are making this report.

Timetable of work

Griffin will carry out three visits to the Trust in order to fulfil these obligations, one in the Autumn Term, one in the Spring and one during the Summer term.

Over the course of the year our work will cover the following key areas:

- Governance and regularity
- Recruitment and selection
- Budget monitoring
- Risk management
- Internal control/Anti-fraud framework
- Income and cash receipts
- Payroll

Our work will establish the existing systems that the Trust has in place, test whether these systems are being followed and make suggested improvements.

Work completed December 2024


Governance & regularity




- Review of leases
- Gifts, hospitality and awards
- Declaration of Interests
- Member's independence
- Staff members serving as Trustees
- Governance structure
- Provision of information
- Staff Severance
- Board performance and effectiveness
- Information on the Academy's website
- Finance Committee compliance
- DBS Checks
- Audit Tender Process
- Scheme of Delegation


Recruitment

- Review of recruitment policy
- Recruitment and selection walkthrough testing
- Review of DBS procedures

2. Update on previous findings

Finding	Recommendation	Priority	Management Response
Anti-Fraud Framework			
<p>1.</p> <p>Staff Expense Claims</p> <p>The Trust paid for the upgrade of a staff members' personal car insurance to include business use.</p> <p>The 45p per mile paid to staff to cover business miles travelled is intended to take into account the additional costs associated with business use. Therefore, this is not an appropriate use of public funds.</p>	<p>We recommend that going forward the Trust ensures all staff expense claims are an appropriate use of public funds. They should specifically ensure they do not reimburse any staff members for adding business insurance to their policy, as such additional costs are wrapped up in the 45p per mile they receive when travelling anyway.</p> <p>Update December 2023: We will provide an update on this point at a future visit when covering 'Anti-fraud framework'.</p> <p>Update February 2024: No business insurance reimbursements were identified as part of expense claim testing, However, there was a notable lack of detail on documentation supporting 2 of the staff claims tested. This makes it unclear as to the nature of the purchase. Therefore, the recommendation has changed.</p>		<p>Management Response June 2023: Agreed. The total paid for upgrading staff members insurances to cover business use was £61.06, for two members of staff. We are in the process of recouping these amounts from both staff members.</p> <p>Going forwards the Trust will not offer to cover the upgraded cost, in any circumstances.</p> <p>Management Response Feb 2024: Agreed. The lack of detail regarding mileage claims was internally identified at the beginning of January. We have since circulated an updated document stressing the importance of specifying the origin and destination of travel. Line managers have been instructed to approve claims only if this information is provided.</p>

		<p>We acknowledge that the academy has already implemented stricter procedures when approving expense claims, allowing claims to be rejected without sufficient supporting receipts. We would also suggest that any additional narrative provided by the claimant be documented on the claim to support the reason for reimbursement.</p> <p>Update June 2024: We will provide an update on this point at a future visit when covering 'staff expenses'.</p> <p>Update December 2024: We will provide an update on this point at a future visit when covering 'staff expenses'.</p>		<p>For expenses not processed through payroll, the Operational Finance Lead will now also authorise claims, as well as budget holders/line managers. This adjustment will ensure that all claims are fully compliant and include the necessary detail before processing. Line managers have also been reminded about their responsibilities to review receipts.</p>
2.	<p>Declaration of interests</p> <p>It was discovered that one Trustee, M Graves had one directorship missing from his declaration of interests, that had been registered on Companies House in 2022. Furthermore, J Tisdall had not disclosed a recent directorship, added to Companies House in December 2023.</p> <p>One Trustee, P Ireton, had not completed a declaration of interest form for the 2023/24 academic year.</p>	<p>It is recommended that the signed declaration of interest forms are cross-checked against Companies House to ensure all related parties have been disclosed.</p> <p>If an updated declaration of interest form cannot be obtained from Trustees, then alternative confirmation, such as an email, should be requested from the Trustee to confirm there are no changes to their interests.</p>	<p style="text-align: center;">    </p>	<p>Management Response: We agree with the recommendations made and will ensure they are implemented from September 2024 when the new declarations will be completed.</p>

	<p>The interests declared by R Wyld had not been included on the Trust's website.</p>	<p>It is also suggested that the website is updated with any new interests for existing and new trustees as soon as the Trust is notified of the pecuniary interest.</p> <p>Update December 2024: Whilst one trustee had missed one directorship from her declaration of interest form, the register of interest on the school website remained up to date. This is due to the declaration of interest forms being checked by the Trust governance team before being uploaded to the website.</p> <p>Therefore, no issues have been identified with the academy's internal processes relating to the register of interest, so this point has now been cleared.</p>		
3.	<p>Lack of IT/cyber security risks</p> <p>The risk register has few cyber security risks. Whilst additional risks are included on their Digital Standards Review form, the likelihood and impact of each risk has not been assessed by the Trustees or linked to the risk register.</p>	<p>It is recommended that the risks on the Digital Standards Review are incorporated into the risk register. This could be achieved by giving a RAG rating to the risks within the review or referencing the information in the Digital Standards Review within the risk register. This will ensure that these additional risks are reviewed alongside the register on an annual basis.</p>		<p>Management Response June 2024: The Digital Standards Review document will be updated in the Autumn term to reflect any changes that have occurred, including the addition of new schools that have joined the Trust. As per the recommendation we will RAG rate each standard and will reference the document on the Trust risk register.</p>

		<p>Update December 2024: The academy has implemented a strategy to add a RAG rating to the risks within the Digital Standards Review, to ensure the academy have sufficient cyber security risks. This has yet to be implemented, so will be tested again at a future audit.</p>		<p>Management Response December 2024: The Trust is working in partnership with their IT partner to review the DFE Digital Standards. These have been RAG rated and will be added to the Trust risk register in January 2025.</p>
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3. Work completed

	Work completed	Result	Conclusion
Recruitment			
1.	<p>Review of recruitment policy</p> <p>We obtained and analysed the recruitment and selection policy, in order to conclude whether or not this is deemed appropriate, sufficient, and likely to be effective.</p>	<p>The recruitment & selection policy was last reviewed in September 2024.</p> <p>The Trust's recruitment and selection policy was reviewed and deemed to be sufficient, appropriate, and thorough.</p>	No issues to note
2.	<p>Recruitment walkthrough testing</p> <p>We performed a walkthrough procedure of the recruitment process on five new starters in order to ensure the appropriate actions were being taken in order to comply with the previously analysed recruitment policy.</p>	<p>The recruitment and selection process is being followed in line with the Trusts policy.</p> <p>Of the five new starters tested, all had the required application forms. Interviews were conducted by two members of staff, in line with the requirement that all interviews should be conducted with a minimum of 2 interviewers on the panel.</p> <p>We were able to confirm that all necessary pre-employment checks had been completed, for all these new employees. These included: two references obtained, proof of identity/right to work</p>	No issues to note

		<p>in the UK, appropriate qualifications, enhanced DBS checks and self-declaration with regards to not being barred from working with children.</p> <p>Signed contracts were obtained for all five employees.</p>	
3.	<p>Review of DBS procedures</p> <p>We reviewed the inclusion of DBS procedures within the recruitment policy to ensure there was an effective method in place to ensure the completion of a DBS check before any staff member began working within the Trust.</p>	<p>The need for an enhanced DBS check is clearly stated as one of the pre-employment checks in the recruitment & selection policy. The DBS procedure has been verified and none of the sample of new starters were missing or had insufficient DBS checks as at the date of starting.</p> <p>The Academy ensures that DBS checks are performed immediately upon hiring new staff members, including the onboarding of new schools to the Trust. The necessary checks are also included as part of the onboarding checklist which is completed for all new recruits. If DBS information is not obtained before the employee start date, then a separate risk assessment is performed to ensure employees are still safe to work at the school, and are supervised at all times.</p> <p>The Trust does not have a policy for re-doing DBS checks on a regular basis. However, the Trust has recently reviewed DBS checks that are over five years old, to ensure they remain valid.</p>	No issues to note

Governance & Regularity

4.	Leases Obtained copies of all leases taken out during the year and consider whether they are finance or operating leases.	One lease has been taken out in December 2024. This is for a new photocopier, and the agreement indicates this is an operating lease, in line with academy requirements.	No issues to note.
5.	Gifts & hospitality policy Ensured a policy is in place for the acceptance of gifts, hospitality, awards, prizes or any other benefit which might be seen to compromise their personal judgment or integrity and that staff been made aware if this policy.	There is a separate gifts and hospitality policy, which all staff are made aware of. This was last reviewed in the 2024 autumn term.	No issues to note.

<p>6.</p>	<p>Declaration of interests</p> <p>Ensure all Trustees have declared any related party interests and that the details are published on the school website.</p> <p>Review Companies House directorships for any additional undeclared interests.</p>	<p>All seven current trustees have completed a declaration of interest at the beginning of the academic year. These interests have been reflected on the academy website. Whilst one trustee had omitted one directorship on her most recent declaration, this has been correctly updated on the register of interest on the academy website.</p> <p>Companies House was reviewed during the visit, and no missing business interests were identified.</p> <p>Pecuniary interests were added to all full board meeting agendas, but no additional interests were declared during the year.</p>	<p>No issues to note.</p>
<p>7.</p>	<p>Member's independence</p> <p>Ensure that the majority of the members are independent of the board of Trustees as per the ESFA's recommendation in the ATH 2024.</p> <p>Identify if any new members have been appointed since 1st September 2024 and ensure the appropriate checks have been completed to gain confidence that they are able to take part in academy trust management.</p>	<p>All five members are not Trustees so are independent from the Board of Trustees. With five members, the Trust adheres to section 1.3 of the ATH.</p> <p>The register of interest and GIAS confirms that no new members have been appointed this year.</p>	<p>No issues to note.</p>

8.	<p>Staff members serving as Trustees</p> <p>Ensure that no staff members, other than the Academy CEO/Head teacher, are on the Board of Trustees as per the DfE's should requirement in the ATH.</p>	<p>There are no staff Trustees on the board (excluding the CEO), therefore the Trust is in line with the ESFA's strong preference for no other employees to serve as Trustees, as per section 1.22 of the ATH.</p> <p>The Trust CEO has resigned from their Trustee post from January 2025.</p>	No issues to note.
9.	<p>Governance professional</p> <p>Ensured that the trust has a governance professional to support the board of trustees who is not a trustee, Principal or CEO.</p>	<p>The Trust has employed a Trust Governance Professional to support the board. They have a separate role within the Trust, and are not a Trustee, principal or CEO.</p>	No issues to note
10.	<p>Related Party transactions</p> <p>Obtained evidence that any related party transactions have been properly authorised. If the amount of the transaction exceeds £2,500 obtain a copy of the statement of assurance required by the 'at cost' requirement set out in the ATH.</p>	<p>The Trust Operational Finance Lead confirmed that there have not been any related party transactions since 1st September 2024.</p>	No issues to note.

<p>11.</p>	<p>Governance structure</p> <p>As per section 1.44 of the ATH, ensure the trust has published up-to-date details on its website of its governance structure.</p> <p>Ensure the Trust has spaces reserved for parent trustees as part of their governance structure.</p>	<p>The structure and detail of the trust's members, board of Trustees, committees and local committees/governing bodies is clearly disclosed on Trusts website. This has been agreed to the information on Companies House and GIAS.</p> <p>Each local governing body has at least two parent governors, or a minimum of two spaces held for parent governors if the positions are currently vacant. Vacancies are published in school newsletters and actively advertised by the headteachers to encourage the roles to be filled.</p> <p>In the event there are less than two parent governors on the local governing board, the vacancies remain open for parents and can't be filled by other roles.</p>	<p>No issues to note.</p>
<p>12.</p>	<p>Submission of statutory accounts to the ESFA</p> <p>Ensured the statutory accounts were submitted to the ESFA by the deadline of 31 December and that the annual internal scrutiny report has been filed with the accounts.</p> <p>Ensured that the accounts have been filed with Companies House within nine months of the year end.</p>	<p>The 2023/24 accounts were submitted to the ESFA on the 18th December 2024 ahead of the 31 December deadline and the 2022/23 accounts were filed with Companies House in May 2024; less than 9 months after the year end.</p>	<p>No issues to note.</p>

13.	<p>Information on the Academy's website</p> <p>Review of the academy's website, to ensure the following information is available:</p> <ul style="list-style-type: none"> • Names and appointment date for members and the Board of Trustees, its committees and names of the chairs of each. • Pecuniary interests of members and Trustees • Trustee attendance records at board and committee meetings over the last academic year. • A copy of the audited financial statements for the year ended 31 August 2023. • Names of any employees with benefits exceeding £100k, disclosed in £10k bandings. • Agenda, minutes and any documentation of board meetings. 	<p>The structure and remit of the trust's members, board of Trustees, committees and local committees/governing bodies is clearly disclosed on Trusts website.</p> <p>Names, appointment dates, relevant interests from close family relationships, and business interests for its members and Trustees are also present on the website. On the same document, information about each Trustees attendance at Full Board, Audit, Risk and Resources and Education Standard Committee meetings for the 2023/24 academic year is listed.</p> <p>The Annual Accounts for the Year Ended 31 August 2023 have been published on the Trusts website.</p> <p>In accordance with section 2.29 in the ATH, employees whose benefits (including gross pay, employers pension contribution and termination payments), exceed £100k are listed in a separate document on the website for the most recent academic year (2023/24). These have been compared to annual pay information for the SLT and agrees to expectations. Whilst board minutes are not added to the website, they are available on request from the Governance Professional using a specific email address. This is disclosed on the Trusts website for public use.</p>	No issues to note.
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14.	<p>Staff severance payments</p> <p>For any staff severance payments, ensured they have been made in line with the requirements of the ATH.</p> <ul style="list-style-type: none"> - Payment approved by trustees and evidenced by minutes. - The trustees considered whether the payment is in the best interest of the trust and whether it could be seen as a reward for poor performance. - 	<p>There has been one statutory redundancy since 1 September 2024 relating to the restructure during Summer 2024. The redundancy terms have been reviewed, and no non-contractual elements were identified. Therefore, no further action was expected to be taken by the board, and procedures remain in line with finance policy.</p>	<p>No issues to note.</p>
15.	<p>Board performance and effectiveness</p> <p>Ensure that there are appropriate procedures in place to evaluate the Board's performance and ensure the Trust has a governance professional in place.</p> <p>Confirm that the Board of Trustees has met at least termly.</p> <p>Obtain evidence that Trustees and members have received and discussed the 'dear Accounting Officer' letter as per guidance in section 6.2 of the ATH.</p>	<p>An external review of the board performance is undertaken by an independent executive recruitment organisation. Reviews are completed every 3 years, with the last two reviews in December 2020 and November 2023. Therefore, the next planned is for the 2026/27 academic year. This form of regular scrutiny ensure the boards performance is consistently reviewed.</p> <p>In the 2023/24 academic year, the board met six times, which is more than once a term. For the 2024/25 academic year, one board meeting has been held in September 2024, with four more planned across the rest of the year.</p> <p>Per September 2024 board minutes, the Accounting Officer letter has been received and read in accordance with ATH.</p>	<p>No issues to note.</p>

<p>16.</p>	<p>Provision of information</p> <p>As per section 2.46 of the ATH, the trust MUST notify the DfE via Get Information About Schools (GIAS) of changes in members, Trustees, and local governors as well as chair of Trustees, accounting officer and chief financial officer. The DfE need to be notified within 14 days of any changes.</p>	<p>No additional trustees or members have yet been appointed in the 2024/25 academic year. The two trustee resignations at the end of last year and beginning of the 2024/25 year, have been appropriately reflected on GIAS.</p> <p>However, two trustees had been automatically resigned by GIAS, as they had reached the end of a four-year term. This has since been rectified, and the trustees reinstated as current trustees.</p>	<p>The automatic resignation of two trustees, did cause inconsistencies between GIAS and Companies House. However, the Academy was not responsible for this error.</p> <p>It has been confirmed that GIAS was updated at the end of the academic year, August 2024. GIAS was also scheduled to be reviewed following trustee changes at the end of December 2024. This shows that there are appropriate internal controls in place to keep governance information up to date, so no recommendation is needed.</p>
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17.	<p>Finance Committee</p> <p>Where the Trust has income below £50million, the Finance Committee can be part of another Committee. Ensure the following:</p> <ul style="list-style-type: none"> • The terms of reference for this committee include the requirements for the Finance Committee as per the ATH 2024. • The Chair of this committee is different to the Chair of Trustees. • That any staff in attendance (including the Headteacher) are not participating as member of the committee but are in attendance only. 	<p>The Trust has a Audit, Risk and Resources committee in place, the terms of reference for which are compliant with the requirements of the ATH and were reviewed at the start of the academic year (2024/25).</p> <p>The Chair of this committee is also a Trustee but is different from the Chair of Trustees.</p> <p>Staff attending committee meetings are noted separately as being 'in attendance' rather than an 'attendee' in line with section 3.11 of the ATH.</p>	No issues to note.
18.	<p>DBS checks</p> <p>Ensured that the trust has obtained Enhanced DBS Checks for all staff and supply staff and Enhanced Criminal Record Certificate for anyone involved in governance.</p>	<p>Enhanced DBS checks have been obtained for all staff and trustees tested. Evidence of Section 128 checks were included as part of DBS checks, so remain compliant.</p>	No issues to note.
19.	<p>Scheme of Delegation</p> <p>Obtain a copy of the scheme of delegation and ensure it is appropriate and there is evidence of its last review.</p>	<p>This has been discussed and reviewed by the Trustees during a full board meeting on 4th July 2024.</p>	No issues to note.

20.	<p>Audit Tender procedures</p> <p>As per the ATH section 4.5, the Trust should retender their external audit at least every five years. Any details of a previous tender should also be retained for best practice.</p>	<p>The academy last retendered in July 2024. Five firms were invited to tender, with relevant information provided by the firm and evidence of the decision-making process kept securely on file.</p> <p>The academy retenders every three years, so is due to retender again in 2027. This will be less than five years after the previous retender, in line with ATH guidance.</p>	<p>No issues to note.</p>
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4. Recommendations

From our testing of the systems and controls around the response to recruitment, governance and regularity, we have not identified any recommendations. This is testament to the Trust Lead for People and Governance and her team, and in particular the Trust Governance Professional.

Report Priority rating

	Fundamental findings that need the immediate attention of management
	Important findings that require management attention, but are not fundamental in nature
	Minor issues that can be improved or administrative errors that require correcting
	The issue has been resolved

