

PRIVATE AND CONFIDENTIAL

DANES

EDUCATIONAL TRUST

INTERNAL ASSURANCE ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2020



DANES EDUCATIONAL TRUST

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DISCLAIMER

This report is provided solely for the use of Danes Educational Trust ('DET', 'the Academy Trust').

The matters raised in this report are only those which came to our attention during the course of our internal assurance work in accordance with the remit agreed with the Academy Trust's Audit Committee and are not necessarily a comprehensive statement of all the weaknesses that exist, or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of risk review work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by the risk review function should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify circumstances of fraud or irregularity.

We understand that you are required to provide a copy or an extract of this report to the Education and Skills Funding Agency, who may share this information internally within the Department for decision making purposes. With the exception of this, our report may not, without our express written permission, be relied upon by your Academy Trust for any other purpose whatsoever, be referred to in whole or in part in any other external document or made available (in whole or in part) to any other party. No responsibility is accepted by Cooper Parry Group Limited towards any party acting or refraining from action as a result of this report.

We wish to take this opportunity to place on record our thanks to all employees for their willing assistance during our undertaking of this work.



DANES EDUCATIONAL TRUST

EXECUTIVE SUMMARY

SCOPE

The aim of the internal assurance work undertaken is to review whether the Academy Trust's key financial policies and procedures are being applied consistently and in line with the best practice requirements set out in the Academies Financial Handbook (AFH).

The scope of work undertaken for the year ended 31 August 2020 was as agreed by the Academy Trust's Audit Committee based on their assessment of risks within the Academy Trust.

The areas reviewed during the year were as follows:

- ✓ AFH Compliance
- ✓ Budgeting and Forecasting

OUR ASSESSMENT CRITERIA

To assist the Trustees, the Audit Committee and management in using this report, we have assessed the overall level of assurance around the Academy Trust's internal control environment according to the following grading system:

HIGH ASSURANCE



Risks are mitigated to an acceptable level with an adequate and effective financial control environment in operation. Where an improvement in processes is identified, it is not indicative of a weakness in process or control but will result in improved efficiencies

MEDIUM ASSURANCE



Risks mitigated to an acceptable level, except for the weaknesses identified, and improvements are required to provide an adequate and effective financial control environment. Weaknesses in controls or processes identified are not considered to be significant, but the recommended actions will result in improved processes and controls.

LOW ASSURANCE



Risks are not mitigated to an acceptable level and there is an inadequate and ineffective financial control environment in operation. Significant weakness in internal controls or process are identified as a result.

RESULTS SUMMARY

The results of our work have been discussed with Nicky Hammond, Director of Finance, and presented to and considered by the Academy Trust's Audit Committee.

The Audit Committee's responsibility is to ensure any recommendations arising from the work undertaken are implemented reasonably quickly and that any changes are regularly monitored to ensure they remain effective and continue to present value for money.

Our assessment of the level of assurance gained for each of the areas we reviewed during the year are as follows:

AREA REVIEWED	ASSURANCE
AFH Compliance	HIGH
Budgeting and Forecasting	HIGH

Our reviews were completed satisfactorily in both cases.

No significant issues were raised. The recommendations made, management responses and the status of implementation of agreed actions are detailed on page 3 of our report.

DANES EDUCATION TRUST

RECOMMENDATIONS OVERVIEW

ANNUAL SUMMARY

In considering the key findings from the internal assurance work undertaken during the year ended 31 August 2020 as set out in the Executive Summary, the key recommendations arising from our work, the responses from management and the status of the implementation of these recommendations are presented below.

RAG	KEY FINDING	IMPROVEMENT RECOMMENDATION	MANAGEMENT RESPONSE	STATUS
HIGH	AFH COMPLIANCE Business and pecuniary interests of members were not listed on the Trust website.	Update the website to include this information.	Agreed.	Complete.
HIGH	BUDGET SETTING We noted that the FD, CEO and Heads of schools work closely together to develop detailed plans based on school improvement priorities.	Continue to embed this approach which is in line with best practice in the sector.	Our budget setting process has worked well this year; we will continue this approach for 2021-22.	On-going.
HIGH	BUDGET SETTING Budgeted capital spend is based on DFC funds received, rather than a detailed review of capital requirements.	Incorporate capital priorities into the budget in more detail, to reflect the findings from condition surveys etc.	Capital priorities will be reviewed with the budget process from 2021.	On-going.
HIGH	BUDGET SETTING The impact of COVID-19 on future income and expenditure streams is evolving. The Trust has reviewed its plans in detail in response.	We recommend continuing to assess the impact on an on-going basis.	We will continue to carry out a detailed review of income and expenditure on a monthly basis.	On-going.

THANK YOU



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