

GFM Education

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that GFM Education 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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

The Board of Trustees has delegated the day-to-day responsibility to the chief executive, 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 GFM Education and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year as well as attending a strategic away day in order to advance a refresh of the strategic vision and plans for the Trust. Attendance during the year at meetings of the Board of Trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
C Beswick	5	5
J Bonsor	5	5
A Cojocar	5	5
C Donovan	5	5
G Hicks	3	5
J Morgan	5	5
I Potter	5	5
K Robertson	4	5
R Williams	5	5

The full Board including trustees, members and the Executive continued to meet on a number of occasions during the wider shutdown, changing to online in order to manage health & safety requirements. The Executive team also continued to meet more regularly in order to manage the constant changes to regulations and legislation around the pandemic. This allowed closer Trust performance and management of risk assessments across all areas

As part of continuous improvements to governance, 2 of the previous members stepped down and took up trustee positions as chair and vice-chair of the Board. An additional trustee with financial skills was appointed during the year and a further 2 new independent members were appointed in order to improve Board scrutiny and adhere to best practice.

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The **finance and resources committee** (previously the finance and audit committee) is a sub-committee of the main Board of Trustees. Its purpose is to review, and where applicable approve, the financial performance of the Trust including budgets and forecasts. During the year, the committee also reviewed and authorised (through delegated powers) several large capital additions and service contracts ensuring value for money and adherence to policy and procedures of the Trust. Attendance at meetings in the year was as follows:

<u>Committee Members</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Chris Donovan (Trustee & Chair of Committee)	5	5
Elodie Gardner (Primary Phase representative)	5	5
Susan Hamilton (Executive Finance Director)	5	5
Geoff Hicks (Trustee)	4	5
Jean Morgan (Trustee)	5	5
Ian Potter (Trustee & Chief Executive)	5	5

The **audit and risk committee** is a sub-committee of the main Board of Trustees. Its purpose is to review the risk register and direct internal audit to ensure appropriate cover of identified areas of risk, and to make recommendations to the Board on all audit and risk matters. This is a new committee with no formal meetings during the year other than to implement the new structure. All related matters were discussed within the finance and resources committee.

Review of Value for Money

As Accounting Officer, the chief executive 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 Board of Trustees 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:

- consolidating cleaning contracts across the secondary phase leading to a more cost effective and better quality of service
- consolidating energy contracts, reducing suppliers and moving to better pricing deals
- changing printing and scanning infrastructure, saving money on more efficient multi-functional centralised equipment and reducing volumes and costs of paper and ink supplies
- improving payment systems for the junior phase
- fully centralising financial management for junior phase reducing operating costs

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 Academy Trust policies, aims and

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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 GFM Education for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees 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 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 that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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 Board of Trustees
- regular reviews by the finance and resources committee of reports which indicate financial performance against the budgets, 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
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and decided on a number of different activities to provide a higher level of assurance. It was agreed to:

- buy-in a focused internal audit service from Azets
- take part in the DfE Risk Management and Capital Advisers Pilot programmes
- appoint C Donovan, a trustee, to carry out a programme of internal checks

The various internal audits performed focused on giving advice on financial and specific high-risk areas through performing a range of checks on the Academy Trust's financial and other systems. During the academic year, this included:

- testing of banking and cash management processes and procedures
- testing of procurement and contract management systems
- testing of health, safety and risk management procedures and supporting systems and policies
- reviewing cyber security procedures and documentation
- testing of compliance with the Academies Financial Handbook

All reports were presented and scrutinised by the Audit and Risk Committee. From the reviews undertaken there was nothing requiring urgent attention or material control risks. The

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recommendations made following the Risk Management and Capital Advisers audits are being taken forward as part of operational plans for the next year. Key actions being addressed include:

- strengthening the oversight and governance for health and safety
- implementing a formal asset management plan
- implementing a schedule of PEN testing across the IT infrastructure

Review of Effectiveness

As Accounting Officer, the Chief Executive 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/advisers
- the work of the external auditor
- the financial management and governance self-assessment process
- 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 Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 14 December 2021 and signed on its behalf by:

C Beswick
Chair of Trustees

I Potter
Accounting Officer

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