



DIXONS ACADEMIES TRUST

Annual Summary Report 2019/20

October 2020

This report is solely for the use of the persons to whom it is addressed. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.



Dixons Academies Trust

RSM Risk Assurance Services LLP was appointed by Dixons Academies Trust to deliver a series of audit assignments, addressing areas where management and/or the audit committee required coverage or testing to inform their decisions and knowledge of the governance, risk and control environment. Our work for 2019/20 was partly completed prior to the advent of the substantial operational disruptions caused by the Covid-19 pandemic. As such our work and annual summary does not wholly reflect the situation which has arisen in the final weeks of the year. We do, however, recognise that there has been a significant impact on both the operations of the organisation and its risk profile.

SCOPE OF OUR WORK

These assignments are just one of the elements of Dixons Academies Trust assurance framework and, if used properly, the results of our work can help management to inform and update the organisation's risk profile.

The purpose of this report is to provide a summary of our work delivered during the year. Our work has been planned and delivered in line with the Internal Audit Plan for 2019/20 which was developed by analysing your corporate objectives, risk profile and assurance framework, including changes in the sector and through discussions with the Chief Operating Officer and Audit Committee.

This report is prepared solely for the use of the board and senior management.

This report does not provide a formal annual audit opinion that would accord with the International Professional Practices Framework (IPPF) and should not be taken to provide such an opinion.

We completed four assignments in 2019/20:

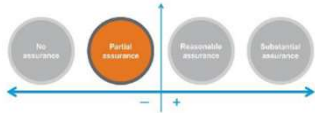

- Health & Safety (1.19/20)
- Follow Up (2.19/20)
- Business Continuity Planning (3.19/20)
- Key Financial Control (04.19/20)

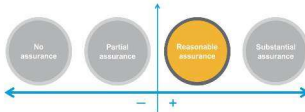
OUTCOME

Our sample testing and site visits were directed by management to review Academies thought to not be applying the Trust's established control framework consistently. As such, our internal audit opinion and findings identified are reflective of those Academies selected rather than the Trust as a whole. Management also disseminate all actions across the whole Trust to increase levels of internal control.

The reports included three high, 24 medium and 10 low priority management actions intended to enhance the design and/or application of controls in the areas reviewed.

ASSIGNMENTS AND KEY FINDINGS

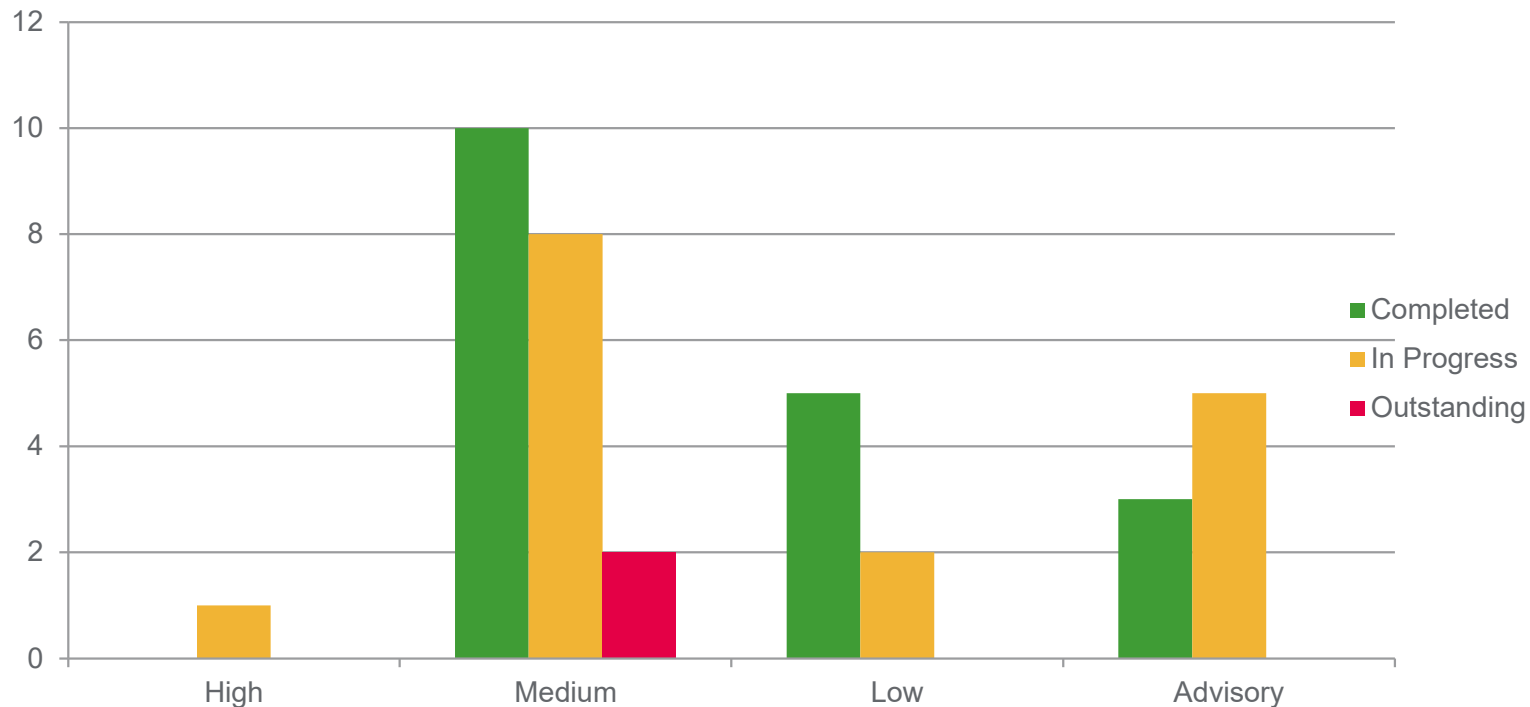
Assignment	Opinion issued	Key Findings	Management Actions agreed			
			H	M	L	A
Health & Safety (1.19/20)		<p>The audit was undertaken to provide assurance following the centralisation of Health & Safety within the Trust during 2019 and the substantial changes made to mitigate health & safety operations.</p> <p>Our review confirmed that there was an adequate control framework in place, however, poor compliance resulted in one high, seven medium and two low priority actions being agreed with management. We sample tested controls at Dixons Manningham Primary and Dixons Allerton Academy, which were selected by management as they were thought to not be applying the Trust's control framework consistently. As such, the results were reflective of those academies, and not the Trust as a whole.</p>	2	5	2	-
Follow Up (2.19/20)	Reasonable Progress	<p>The purpose of this review was to follow up progress made by the Trust to implement previously agreed management actions.</p> <p>Of 36 actions, we noted that 18 had been completed, 16 were in the process of implementation. The final two actions had not been implemented at the time of the follow up. These two actions related to the creation of a Cyber Strategy and 3-5 Year Property Strategy.</p> <p>Five advisory actions were identified as implementation ongoing.</p>	1	10	2	5
Business Continuity Planning (3.19/20)		<p>The audit was conducted to ensure that the Trust has in place sufficient policies, procedures and experience to effectively manage incidents when they occur. The Trust had recently begun implementing a number of new policies and procedures to help reduce the identified risk in this area.</p> <p>Our testing was completed at Dixons City Academy and Dixons Kings Academy. Overall we found that the Trust had detailed policies and procedure notes that cover the required process in a critical incident. However the Trust Business Continuity and Critical Incident Policy was only draft at the time of the review and we found that IT response plans, training and scenario testing schedules were not in place. We agreed six medium and five low actions with management to address the findings.</p>	0	6	5	-

Assignment	Opinion issued	Key Findings	Management Actions agreed			
			H	M	L	A
Key Financial Controls (04.19/20)		<p>This audit focussed on order, receipt and payment and payroll procedures at the Trust. Our audit testing confirmed that an adequate and effective control framework is in place. However, we identified deviations from the stated control framework as well as areas for improvement and further investigation. This has resulted in management agreeing three medium and one low priority actions.</p> <p>The medium priority actions relate to ensuring segregation of duties, approval of orders in line with the Trusts Scheme of Delegation and ensuring amendments to staff pay details are reviewed by academy staff for accuracy, prior to being processed by the Central Payroll team.</p>	0	3	1	-

Dixons Academies Trust

IMPLEMENTATION OF MANAGEMENT ACTIONS

The graph below shows the progress made by the organisation to implement actions previously agreed to address findings from our assignments.



Dixons Academies Trust has demonstrated reasonable progress in implementing agreed management actions. Of the 36 management actions followed up, 18 had been implemented, 16 were in the process of implementation and two actions had not been implemented which related to the creation of a Cyber Strategy and 3-5 Year Property Strategy.



YOUR RSM TEAM

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Dixons Academies Trust, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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