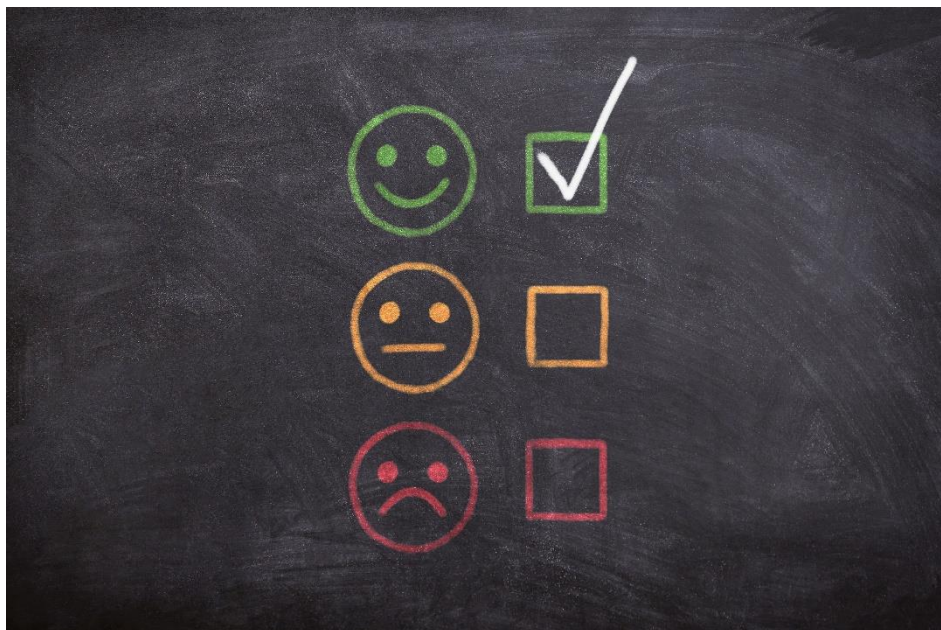




Important information relating to effective governance

Please pass to your Business Manager

Internal & External Audit - Separate provision is a must



The Academy Trust Handbook offers some challenges on Audit Provision.

In 2020 a significant **change** was made in the Academy Trust Handbook.

This related to External & Internal Audit provision effectively entirely **separating** future provision of the two.

This has been an **ongoing** significant period of **change** and not everything in these circumstances get done. As we move towards the end of the school year we thought it timely to **remind**.

The handbook says:

'Trusts should note that the Financial Reporting Council's (FRC) revised Ethical Standard states that a firm providing external audit to an entity shall not also provide internal audit services to it.'

Most may have but there may also be those who **haven't** picked this up or utilised the period of grace allowed & haven't actually made a **change**. If so – its time to look very closely at **doing so**.

So – is it a good thing or bad?

There might be **mixed feelings** from those who previously had a single supplier arrangement but obviously the FRC has a **clear rationale** in its judgement which with the EFSA endorsement means it needs to be **respected**.

Actually though a new professional Internal or External Audit partner if they have the right background should be **basically** familiar with school needs & of course know what to look out for from a technical point of view.

However – this is 2022 & expectations these days go well **beyond** the basics - why not be a little more **aspirational**?

When you think about it everyone really wants the same thing – **effective** Academies **delivering** what they set out to do **well**.

In Audit terms this means **perceptive** internal scrutiny of policies, processes & systems to allow identification of **improvements** & **reduction** of risks.

We think **more** is possible though – good auditors should come at their work from the point of view of wanting to work together & being able to adopt a **pragmatic** approach.

Also, the way business is done these days is getting **less formal** based on **trusted** & **open** relationships – it's important for service providers to understand that & adopt it as 'business as usual.'

Further they should be **flexible** in how they deliver – Covid-19 has opened everyone's eyes to that need!

And yes Audit providers should be exploring how **costs** to schools can be **reduced** by sharing good practice they see. After all – it's a **priority** for most academies – why would it not be for auditors attempting to offer a service?

So – it may be some Academies still have some changes to make. It goes without saying the **choice** of provider is **paramount** – for our part, we are working hard at what we deliver to embrace the sorts of qualities we think help our customers most.

Want to know more? We would be very happy to talk.

Drop a line to us via: steve_debruin@bathnes.gov.uk

You might also like to check out our website: www.onewest.co.uk

Thanks & we look forward to speaking with you.

The One West team



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