

GOVERNANCE STATEMENT
For the Year Ended 31 August 2020

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that REACH2 Academy Trust 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.

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 REACH2 Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weakness 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 six times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Jeremy King - Chair	5	6
Gavin Robert – Vice Chair	6	6
Colin Powell	4	6
Michael Peters	5	6
Victoria Pigott	3	6
Dr Louise Askew	6	6
Tony Gilbey	6	6
Clive Rockingham	5	6
David Walker *	6	6
Ralph Kugler	5	6
Teresa Beach	5	6
Wade Newmark	4	6
Jonathan Lewis	4	6
Sir Steve Lancashire (ex-officio)	6	6

(* denotes trustees who joined or left during the reporting year)

In addition to the 6 formal trustee meetings, trustees also held optional fortnightly (weekly during June 2020) update teleconference/video conference calls during the COVID-19 lockdown between April and June 2020. These calls supported the temporary governance changes put in place during this time, where some committees in the trust were temporarily paused. The teleconference/video conference calls enabled the Executive Team to provide regular verbal updates to all trustees in an efficient manner and provide regular updates on the organisation's response to COVID-19 on matters including pupil attendance, risk assessments, communications, home-learning resources, safeguarding, health & safety, trust finances and staff wellbeing. During this time the Trustees agreed

temporary COVID19 BusinessContinuity Terms of Reference to ensure the governance in place during this time was agile and responsive whilst adhering to good governance and due process in this short period where some committees in the trust were temporarily paused.

During the last reporting period, trustees undertook an annual self-evaluation review of governance in order to inform the continual process of board improvement. This year the review focussed on the trustee board as a collective, deemed appropriate following the skills audit carried out in 2019 and whilst the new cluster model was still being embedded following the governance review carried out during 2018-19. The Company Secretary led this review and undertook telephone interviews with each trustee using conversation headings taken from the ICSA MAT board effectiveness guidance and The Charity Governance Code. The outcome of this review was shared with the trust board to enable the work to feed into the work on board composition, equality, diversity and inclusion, future skills audits, trustee induction design and trustee development plans, trustee succession planning and also work on drafting a new and revised scheme of delegation for the Trust. The main areas agreed by trustees for further action and further embedding in governance processes in the year ahead included the following:

- Identification of board succession priorities.
- Training, induction and trustee development – recognising that induction is a key input to board effectiveness
- The sequencing and timing of board committees in relation to the work flow and input into the main Trust Board
- Considerations on improving diversity, equality and inclusion on the Trust Board and throughout the Trust
- Revising the Scheme of Delegation following the new cluster structure and training those involved in governance throughout the trust on use of the scheme of delegation and providing clarity on decision-making processes and matters reserved for the Trust Board.
- Ensuring agendas remain strategic and maintaining a strategic focus with clarity on future direction and long- term strategy.

Much of this work has already been incorporated into the governance processes with the introduction of strategic agendas. The sequencing of board and committee meetings has been overhauled and revised for the 2020-21 year. A revised scheme of delegation was drafted by the Company Secretary during the period with input from stakeholders throughout the trust following the input received from trustees during the board evaluation process. The work on the scheme of delegation will continue throughout the 2020-21 year with further stakeholder input being incorporated up until December 2020 when Trustees will be asked to approve the final document. Work also commenced on considering ways to continually improve trustee diversity and equality and ways to bring new backgrounds and diversity into education leadership; this work will continue to be a high priority for the Trust board in 2020-21.

The Governance Steering Group established within the Trust in 2018-19 chaired by Louise Askew met in the autumn term of the 2019-20 year on 15 November 2019 to oversee the introduction of the cluster boards at the start of the school year.

In addition to the trust board self-evaluation review and the drafting of a new Scheme of Delegation for the Trust, other strands of governance work carried out during the year included (not exhaustive):

- A thorough review of the current terms of reference for each Trust Board Committee to ensure governance is effective across the Trust.
- The drafting and approval of role descriptions for the Chair and Vice Chair of the Trust Board
- The development of detailed annual schedules of business and meeting cycles.
- A revision of the Articles of Association (non-regulated alterations)

- The drafting of COVID-19 Business Continuity Terms of Reference for Board and Committees as well as drafting of approved protocols for Chair's Action.
- Drafting role descriptions for the role of members and consideration of the role of members at the AGM held in January 2020.
- New rolling action summaries introduced for all trust board and committee meetings for more effective tracking of decision-making and completion of actions.
- Drafting and agreeing terms of reference for a trust board nominations committee
- A review of website compliance across the Trust
- A review of governance policies including Conflicts of Interest and Related Party Transactions, along with a review of trustee declaration forms (including trustee eligibility declarations) to ensure forms in use within the trust are up-to-date and reflect current legislation and governance practice.

The Academy Trust has six sub committees reporting into the Board of Trustees:

- Finance
- Risk and Audit
- Human resources
- Educational Standards & Performance
- Estates and Free School
- Remuneration

Each sub-committee comprises at least three trustees, one of whom is the committee chair. Each committee meets at least termly and presents a report of key findings and actions taken to the Board of Trustees.

The finance committee is a sub-committee of the main board of trustees. Its duties include:

- To develop a financial strategy for the Academy Trust and consider policies, procedures or plans required to realise such strategy,
- To receive financial monitoring reports from individual academies,
- To consider individual academy budget proposals for authorisation,
- To consider exceptional requests for expenditure,
- To oversee significant investment and capital financing decisions
- To oversee the financial position of the trust.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Antony Gilbey (Chair)	4	4
Jonathan Lewis	3	4
Jeremy King	4	4
Wade Newmark	3	4
Sir Steve Lancashire (ex-officio)	3	4

The Risk and Audit committee, a sub-committee of the main Board of Trustees. Its purpose is to:

- Monitor the integrity of the financial statements
- Review internal financial control and directing the trust's programme of internal audit scrutiny.

- Reviewing the academy's internal control and risk management systems reporting to the trust board on the adequacy of the trust's controls.
- To review the action and implementation of risk management policy across the Academy Trust, reporting to the Trust board on the adequacy of the Trust's management of risk.
- Making recommendations to the governing body in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor
- Reviewing the auditor's independence and objectivity.

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
Gavin Robert (Chair)	5	6
Jeremy King	6	6
Clive Rockingham	6	6
Teresa Beach	6	6
Michael Peters	3	6

The HR committee, a sub-committee of the main Board of Trustees. Its purpose is to:

- To consider, determine and keep under review any strategies and policies for human resources and organisational development
- To consider, determine and keep under review effective arrangements for consultation with staff as a whole and for negotiation and consultation with appropriately recognised Trade Unions and/or other representatives
- To undertake the role of the disputed resolution panel to consider appeals against the Chief Executive Officer or Academy Trust decisions
- To ensure effective measures are in place to promote equality and diversity in employment
- To consider the details of restructuring programs following any necessary approvals in principle by the Trust Board
- To develop strategy and policy in all matters relating to the recruitment, reward, retention, motivation and development of the Academy Trust's staff
- To address the topic of pay for employees below Executive level. Executive Pay should only be reviewed and addressed at the Remuneration Committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Victoria Pigott (Chair)	2	2
Teresa Beach	2	2
Colin Powell	1	2
Ralph Kugler	2	2
Sir Steve Lancashire (ex-officio)	2	2

The Education, Standard and Performance committee, a sub-committee of the main Board of Trustees. Its purpose is to:

- To ensure that the highest possible standards are set and maintained across the Academy Trust
- To receive a termly report from the Executive Team regarding standards and performance of the Academy Trust against key performance indicators
- To identify any areas of concern in respect of standards and performance and to implement an action plan with the Executive Team
- To ensure that the Academy Trust's curriculum is balanced and broadly based
- To scrutinise and review Academy Trust policies for recommendation to the Trust Board
- To ensure that effective processes are in place for the quality assurance and self-evaluation of teaching and learning, the curriculum, inclusion and the sharing of good practice across the Academy Trust
- To support the Chief Executive Officer in the creation, implementation and monitoring of the Academy Trust's self-evaluation development plan and any post-Ofsted action plan
- To advise the Trust Board with respect to targets for student achievement across the Academy Trust
- To ensure that effective arrangements are in place across the Academy Trust for pupil support and representation, for monitoring pupil attendance and for pupil discipline.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Michael Peters (Chair)	3	3
Colin Powell	2	3
Jonathan Lewis	1	3
Louise Askew	2	3
Sir Steve Lancashire (ex-officio)	2	3

The Estates and Free Schools committee, a sub-committee of the main Board of Trustees. Its purpose is to:

- To ensure that the operation and asset management of the Trust's estate, is delivered appropriately
- To ensure that the Free Schools programme is delivered appropriately
- To ensure that effective processes are in place for the quality assurance of the Executive's work on Estates and capital management and on overall project management of the Free Schools programme, identifying any areas of concern or untapped potential and overseeing appropriate planning and action by the Executive Team
- To ensure that capital requirements are taken into account in the development, implementation and review of any Trust policies, programmes for reserves and investment and funding decisions, working closely with the Finance Committee
- To identify, initiate, consider and keep under review the fullest range of external sources and avenues for capital funding and to ensure an appropriate pursuit by the executive of options with the best potential

- To scrutinise, review and where appropriate approve relevant policies, where relevant in liaison with other Trust Board Committees
- To scrutinise and review the estates teams' role in terms of reporting into the Health, Safety and Wellbeing function along with the expedient resolution of estates related health and safety defects and/or implementation of appropriate risk control measures.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Wade Newmark (Chair)	2	2
Clive Rockingham	2	2
David Walker	2	2
Sir Steve Lancashire	2	2

The Remuneration committee, a sub-committee of the main Board of Trustees. Its purpose is to:

- To consider, determine and keep under review a framework or policy for the remuneration, benefits and incentives of the Chief Executive Officer and such other members of the Senior Executive Team as the Trust Board shall from time to time direct
- In determining that framework, to seek evidence of the remuneration, benefits and incentives paid to senior executives in comparable employment within the commercial and voluntary sectors
- To consider the outcome of every appraisal of the performance of the Chief Executive Officer and such other senior executives as the Board shall from time to time direct
- To make recommendations to the Trust Board as to the remuneration, benefit and incentives that should be paid to the Chief Executive Officer and such other senior executives as the Trust Board shall from time to time direct with a view to ensuring that they are encouraged to enhance their performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Academy Trust and its progress towards fulfilling its objectives.
- To make recommendations to the Trust Board as to the remuneration, benefits and incentives of newly appointed senior executives
- To determine the policy for and scope of pension arrangements, service agreements, termination payments and compensation commitments for the Chief Executive Officer and such other senior executives as the Trust Board shall from time to time direct
- To consider other topics, as defined by the Trust Board from time to time.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ralph Kugler (Chair)	3	4
Gavin Robert	4	4
Jeremy King	4	4

Louise Askew	3	4
Wade Newmark	3	4

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 the value for money refers to the educational and wider societal outcomes achieved in return for the taxpayers' resources received. During 2019/20 an internal benchmarking process was introduced in relation to the budget return documentation and assessing value for money and was used alongside benchmarking information provided by government. During the year, training sessions were conducted for staff in the use of benchmarking.

The Accounting Officer considered 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:

Continuing to support close working relationship within clusters of schools to enable proactive support and challenge across our academies, including the identification of synergies. Transparency and clarity of spendingschools' budgets is scrutinised and ratified across all tiers of governance. Schools are also able to challenge the Trust in how it spends money.

Providing a greater level of transparency and challenge on school budgets, including longer term planning around schools with investment needs, and those with financial challenges, using benchmarks from other Trustschools as a model for improvement.

Ongoing review of the procurement of services across our academies to achieve better quality, economies of scale and consistent outcomes across the academies, including a better understanding of the benefits of in- house service provision, vs outsourcing key deliverables, such as cleaning and catering.

Educational outcomes have improved by ongoing support from the Trust including receiving regular data reviews and moderation of the academies self-evaluation and school development plans. These are reviewed and challenged at all levels of Governance across the Trust.

Ongoing review both external and internal of our academies to ensure that the expected outcome of the academies during Ofsted are in line with Trust expectations. Intervention is delivered where required.

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 the academy trust policies, aims and 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 REACH2 Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risks

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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees and a new risk strategy was implemented from 1 September 2019 to enable consolidation and identification of common risks across the entire trust by embedding the risk framework.

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 committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programs
- Setting targets to measure financial and other performance
- Clearly defined purchasing (assets purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risk

The board of trustees considered the need for a specific internal audit function and decided to appoint Michelle Roe as an in-house internal Auditor. Given the large size of the trust and the scale of the internal audit function, it was felt that an in-house function was the most effective way of delivering the Trust's internal audit scrutiny.

The work plan for the Internal Auditor is driven and agreed by the Audit and Risk Committee and is informed by risk. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial and non-financial systems and undertaking Responsible Officer visits. In addition, the checks carried out in the current period included:

- Testing of compliance with the scheme of delegation and internal controls
- Testing of purchase systems
- Testing of procurement

On a termly basis, Michelle Roe the internal auditor reports to the board of trustees, through the risk and audit committee on the operation of the system of control and on the discharge of the board of trustee's financial responsibilities.

Due to the Coronavirus the audit plan could not be fully completed due to visits being suspended so alternative work was completed as agreed by the risk and audit committee.

The work completed in the plan was sufficient to confirm that there were no material control issues and thus no remedial action was required to be taken.

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
- 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 results of their review of the system of internal control by the Risk and Audit committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 10 December 2020 and signed on its behalf by:

Signed:

Signed:

Jeremy King

Sir Steve Lancashire

Chair of Trustees

Chief Executive Officer