

BIRMINGHAM CHILDREN'S TRUST CIC LTD	
Question	Response
Company Environment	
What approach does the company have for ensuring that Directors and Senior Management have the necessary skills to enable them to fulfil their responsibilities appropriately	In recruiting directors the Trust has appropriate selection and evaluation criteria, which is then supplemented by its induction process for new directors. The Trust has a training programme for directors and holds regular Board development sessions.
How does the company ensure that Directors engage fully with the company and what is the record of attendance	All directors attend regular committee and Board meetings and are also invited to a number of service meetings of a strategic nature. A record of attendance is maintained by the Head of Executive.
Please explain the system of governance and the financial control environment within the company	The Trust's overall governance is led by the Board with a number of supporting sub-committees which include Performance & Quality, Finance & Resources and Workforce Committees. The Trust has adopted its own Scheme of Delegation which is reviewed on at least an annual basis.
Please explain how management gains assurance on its control environment, its process for reviewing the effectiveness of the system of internal controls and the results of any reviews that have been undertaken.	The Trust has appointed Birmingham Audit to provide an internal audit of its main processes and controls to test and provide assurance to the Executive, Committees and Board.
What are the company's arrangements for the development of its Business Plan, including details of cashflow management, determination of going concern and how are plans developed for taking remedial action to any adverse changes within the company	The Trust has produced a Strategic Business Plan for 2018-2023 which is then signed off by the Council. This business plan will be refreshed annually on a rolling basis and for this year will need to reflect the recommendations of the recent OSFTED inspection.
What is the company's approach to the development of business	The Trust has a number of business continuity plans covering specific services and is in the process of developing an overall business continuity

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continuity plans	plan for the Trust as whole based on advice by BCC's Business Resilience Team.
What is the company's approach to ensuring compliance with the General Data Protection Regulation (GDPR) requirements	The Trust inherited the levels of compliance with the (25th May 2018) Data protection Act 2018 and GDPR from the Council. To address the specific needs of the Trust an Information Assurance Plan has been developed and will be delivered in parallel to a similar Council Plan. Oversight of the delivery will be provided by the Trust Information Assurance Group chaired by the Trust's Senior Information Risk Officer.
The Identification, Mitigation and Reporting of Risk	
Please set out your management's views on your risk assessment process as it related to financial reporting.	The Trust has a corporate risk register and financial reporting was not identified as a significant risk. Operational risk registers are being rolled out across service areas which will include finance, at which further consideration will be given to this. In the meantime this risk is monitored and managed by the Director of Finance & Resources with support from the Head of Finance and team.
Please set out your management's processes for identifying and responding to risks of fraud.	The Trust has adopted by and large BCC's fraud policy.
How do those charged with governance monitor management's processes for identifying and responding to risks of fraud.	The process of identifying the risk of fraud is overseen by the three Executive Directors in the Trust and would be reported to the Chief Executive and Head of Executive via the Executive Team meetings.
Please set out the areas that face fraud risks, including specific accounts or classes of transactions where fraud risks have been identified.	The nature of fraud risk across the Trust extends to financial and contracting

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How does the company's management communicate to those charged with governance with respect to business risks (including fraud).	Oversight of the corporate risk register is managed by the Director of Finance & Resources and a report is provided on a quarterly basis to the Finance & Resources Committee, which also undertake reviews of individual areas of significant risk.
What has been your Management's awareness or allegations of fraud, errors, or other irregularities during the period.	Matters of a significant nature would be notified to the relevant Executive Director who would then take appropriate action, including notifying the Chief Executive where necessary. The levels of awareness is therefore considered appropriate for the Trust.
How your organisation would raise the Council's Audit Committee's awareness of fraud or suspected fraud.	This would be via the Trust's Executive Management Team and where appropriate reported to the Trust's Finance & Resources Committee and /or Board.
How your organisation would communicate financial risks to the Council, for example, where there is an expected downturn in trading performance that would impact on the financial status of the company	The Trust meets with the Council on a monthly basis at the Operational Commissioning Group (OCG) and on a quarterly basis provides a quarterly financial report to the Council which is then discussed at the OCG. The Trust also meets quarterly with the Council for the Partnership Governance Group at which all strategic risks can be raised and discussed.
How would the company communicate any breach of GDPR requirements to the Council.	The Trust has appointed a Data Protection Officer who reports to the Head of ICT, and the latter acts as the Chief Information Officer for the Trust. Any breaches would be reported via the DPO to the CIO, SIRO, and the Information Assurance Group which meets every other month, and the

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	Trust's Executive on at least a quarterly basis.
What mitigating actions are in place to minimise financial losses from risk events or fraud, for example, what insurance cover does the company have in place.	The Trust has procured via the Council a series of insurances to cover financial losses in a number of areas. The scope and level of cover for such insurances is subject to regular review by the Director of Finance & Resources.
Financial Statements	
How does the company determine that its accounting policies are appropriate and what process is in place for ensuring they are kept under review.	The Trust's Director of Finance & Resources is responsible for determining the accounting policies in line with professional accounting standards, and agreeing these with the Finance & Resources Committee. This will be subject to independent review by the Trust's external auditors (to be appointed).
What matters or events occurred during the year that could influence your audit approach or may have an impact on the Council's consolidated financial statements.	No material matters or events have impacted on the Trust's approach to external audit.
Please set out details of any events or changes in circumstances that may cause an impairment of current or non-current assets.	<p>The Trust does not currently hold any non-current assets.</p> <p>No changes in current circumstances that may cause impairment are envisaged.</p> <p>The Trust undertakes daily cash flow monitoring and cash management. The Trust secures investments of cash surpluses via the BCC treasury team.</p>

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	The trust has minimal debt and monitors aged debt on a monthly basis. The trust buys back Account Receivable debt progression services from BCC via a support services agreement.
Please set out details of any indemnities or guarantees that the company has given.	The Trust has not provided any indemnities or guarantees which would give rise to a financial commitment.
Please set out details of any transactions, events or conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement.	None as yet.
Please set out any issues identified by your external auditor and how the company is implementing any actions to mitigate those issues.	Not applicable as the Trust is still in its first operational year and is to appoint external auditors in time for the financial year end.
Please set out any material change of circumstances that have occurred, or may occur, that could impact on the company's performance.	No material changes which have had a negative impact. The appointment of a new Director of Practice has had a positive impact on the operational performance of the Trust, and the new Director of Finance & Resources has been making improvements to the Trust's support services.