



RISK MANAGEMENT AND INTERNAL CONTROL POLICY

DBS's internal control environment is shaped by its risk identification process, which addresses the potential consequences of failures. This system, delegated by the Board to lower management, is essential for accountability and risk management. It includes processes and procedures for effective and efficient operations, ensuring cost-effective program delivery.

Risk analysis is central to assessing controls, as it helps mitigate risks and identify weaknesses in planning or operations. A key aspect of DBS's framework is financial management, covering receipts, payments, asset management, salaries, bank accounts, and investments. Strong budgeting, transaction classification, and financial monitoring enhance the school's financial control environment.

Internal control is divided into eight components, which are:

- Internal environment
- Objective setting (Validity; Authorization; Completeness and Accuracy; Timeliness; Security; Physical Existence)
- Risk identification
- Risk assessment
- Risk response
- Control activities (Organization; Segregation of Duties; Physical Controls Delegation; Authorization and Approval; Arithmetical and Accounting Controls; Personnel; Supervision; Management Controls)
- Information and communication, including organizational learning
- Monitoring

An important element of internal controls is the safeguarding of funds through robust procedures and processes. Dasman's system of internal control should be part of its risk management process, as well as:

- supporting the reliability of internal and external reporting
- assisting in the compliance with laws and regulations

- facilitating the effectiveness and efficiency of operations and so promoting best value

The principal aim of internal control systems is to manage the identified risks that are significant to the achievement of a school's objectives. The main driver for such an approach should not simply be compliance with an externally imposed requirement. It should be because it makes sound business sense for Dasman to manage risk effectively and to embed internal control and risk awareness into processes and the behavior of staff.

Internal and external auditing

- **Internal Audit:** Reports to the organization and its Board of Directors.
- **External Audit:** Provides an independent assessment of internal controls, highlighting areas for improvement and acting as a safeguard against financial mismanagement and fraud.
- **Governing Body Responsibility:** Holds ultimate responsibility for the school's financial management, compliance, and overall conduct, aiming for high educational standards.

DOCUMENT CONTROL

COMPLIANCE	
<i>Compliant with</i>	Local legislation & Cognita ME

AUDIENCE	
<i>Internal</i>	All staff in Dasman Bilingual School

VERSION CONTROL	
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