

**BOARD OF TRUSTEES – AUDIT COMMITTEE**

**Minutes of the meeting held at 5.00pm on 7 June 2018**

**Present:** R Inman, Chair (Virtual Attendance)  
J Wakelam  
S Howard (Virtual Attendance)

**In Attendance:** S Jones, Chief Financial Officer  
J Bridges, Trust Secretary

Trustees confirmed that they had no conflicts of interest to declare in relation to the items of the agenda.

**Action**

**1 Apologies for Absence**

Apologies for absence were received from C Bundy, Finance Manager.

**2 Minutes of 29 November 2017 meeting**

The minutes of the meeting were agreed as a correct record.

**3 Matters Arising**

The matters arising from the meeting were summarised in the report and all actions reported had been completed or, where appropriate an update had been provided on progress elsewhere on the agenda.

**4 Schools Choice**

**i. Audit Report**

The third and last internal audit visit for the 2017/18 academic year took place on 23 May 2018 and is now complete. The last report from Schools Choice after their second visit earlier in the year was shared with the Committee together with the Action Plan that was reported to the Auditor at the most recent visit. Subsequent to the release of the papers ahead of the meeting the latest report and action plan was shared with the Committee which concluded that the five further audit areas (Planning Cycle and Budget, Inventory and Security, Tax, Data Security and Insurance) were all assessed as Outstanding.

There are two action points arising from these audits; 1) for the Fixed Asset Register to be cross referenced to the inventory for security asset codes; and 2) to check that the IT inventory has been checked following the May Half Term. These actions are being taken forward by C Bundy and L Lockwood. These actions are to be discharged over the next few weeks. There are no risks arising or historic issues to note at this time. The Committee was pleased to receive a positive report which provides the assurance that systems of internal control are adequate and appropriate. Internal audit work is thorough and a robust approach is taken by Schools Choice to explore the underpinning controls and practice in place. The Chair asked that internal auditors were asked to look at the internal controls of Financial Governance in future fieldwork. The CFO will take this back to Schools Choice.

SJones

**ii. Recommended Action Plan Update**

Covered under discussion held above.

5. **Appointment of Internal and External Auditors for 2018/19**

**External Audit Services for 2018/19**

The current external auditors are Larking Gowen who were appointed at the formation of the Trust in 2015. The Trust Board and Members have both approved Larking Gowen as external auditors for the audit of the 2017/18 financial statements for which an audit will be undertaken in the Autumn of 2018.

At the annual meeting of the Trust members in February 2018, they also approved (following the Trust Board's request) that Larking Gowen be approved as External Auditors for the audit of the 2018/19 financial statements to be undertaken in the autumn of 2019 and as such, the Committee is asked to note this decision.

The External Auditors must be appointed by the Members of the Trust with the exception of the inaugural year of a MAT. The Trust Members have asked that a market test be undertaken prior to the appointment of external auditors for the audit of the 2019/20 financial statements and it is intended to undertake this in the Spring of 2019. The Trust Secretary is to bring this agenda item to the next meeting of the Committee for consideration. It was noted that with the addition of Abbeygate Sixth Form College consideration should be included to review external audit services for both Suffolk One and Abbeygate and not dismiss the value of appointing one and same firm to audit both as separate entities, bearing in mind the need for separation of audit personnel within the firm.

JBRidges

**Internal Audit Services for 2018/19**

The Trust currently uses Schools Choice to provide three days per annum to assess financial controls as part of the overall provision of assurance of internal control within the Trust. It is not mandatory to have an internal audit service and is only one of several methods suggested within the Academies Financial Handbook 2017 as a means of seeking assurance.

Schools Choice has provided an internal audit service since the inception of the Trust and although very school orientated, provide a professional and reliable service providing assurance around key financial controls. Appointment of Schools Choice as the internal auditors for 2018/19 is therefore sought.

A decision on the internal audit arrangements for the 2019/20 year does not need to be made at this point in time and careful consideration should be made in such an appointment. Whilst the nature and structure of the Trust will change in September 2019 with the advent of Abbeygate, it may be wise to contain the number of simultaneous changes by retaining Schools Choice for the 2019/20 year. Further consideration can be given in 2019.

The Committee **approved** the appointment of Schools Choice to provide the internal audit service in the 2018/19 academic year and will put a recommendation to the Trust Board at the meeting to be held on 3 July 2018.

6. **Risk Registers**

i. **Suffolk Academies Trust**

The risk register of the Trust has been reviewed to identify the key risks to the Trust in the academic year. The register uses a 3 x 12 matrix and measures the level of Financial, Operational, Reputational and Compliance risk to determine the level of risk impact. Likelihood is measured on a level of 1 to 3. Overall risk rates scored 24 or higher are RAG rated Red and require immediate implementation of the

controls to manage them. Amber rates are score between 18 and 22, yellow 11 to 16 and scores less than 10 are residual rates, indicated green, and have a low impact and are less likely to occur. It is typical that green rated risks remain at this level of the register and just require regular monitoring.

The register currently identifies three amber, seven yellow and four green status risks.

The Trust Secretary was asked to ensure that all management involved with each risk is consulted with to assess and reassess scoring. A close eye is to be kept on R013 and R014 in particular.

**ii. Suffolk One**

At the request of the Committee the risk register of Suffolk One has been aligned to the risk register of the Trust using the same risk management policy and score matrix.

The register currently identifies one amber, two yellow and five green status risks.

It was noted that there are some elements of the Suffolk One property that are deteriorating and will need replacement and/or maintenance. There is an unlikely risk that all elements will fail at the same time and this is considered in detail under the property strategy of the academy.

**Strategic Risk Register (under new governance arrangements)**

The Committee discussed how the group will manage risk identification and monitoring in the future guise of our Common Strategic Committee under our new combined governance arrangements. It was agreed that a Common Strategic Risk Register that identifies the Common risks shared by any of the entities involved in our collaboration is to be developed. The Trust Secretary was asked to circulate the risk management policy and procedure to the group for consideration of how risks are categorised between Financial, Reputational, Operational and/or Compliance. The Chair noted the forthcoming arising potential of conflicts and loyalties of interest when we become a Common Strategic Board as SAT Trustees will effectively also become Governors of WSC and vice versa and this will be something of paramount importance for this Committee to consider and take into account with its work.

JBridges

**7. GDPR Update**

Data Protection processed to comply with the new regulations in readiness for 25 May 2018 were in place. The approach taken was about what was currently in place and introducing the key enhancements within policies and day to day processes.

A Working Group was formed with the aim to ensure the necessary steps were in place to meet legislative compliance. Representation on the group comprised membership from the Estates, Health and Safety, HR, Marketing and MIS teams.

The role of the Health and Safety Manager at Suffolk One has evolved to take on the Data Protection Officer (DPO) responsibilities, this role will conduct audits and monitor compliance of GDPR across the College.

Servers have been updated and are running the latest security patches recommended by Microsoft. A dedicated server has been deployed to host the central management database of recovery keys. Bit Locker software is in the

process of being installed on all staff laptops which will ensure that all devices have encrypted hard drives in the event of the device being misplaced. In Addition to encryption of the devices, IT have implemented email encryption via a key word in the subject header which will require the recipient of the email to enter an authorisation code to open the email.

The GDPiS CAPITIA management tool is being utilised to help simplify the management of data, and proactively prompt staff and third party data processors to meet GDPR guidance. The DPO will use this as a monitoring too, guiding staff to report breaches and provide an audit of investigations.

A planned communication approach has gained 'buy in' from staff and a robust training plan is in place to provide colleagues with a suitable level of data protection understanding, with control measures that will demonstrate individual accountability and compliance.

The College GDPR risk register, risk assessment and third party data processor audit have been developed in readiness to share with wider teams. Key documentation and procedures have been updated including; the Privacy Notice, Data Protection Policy, Marketing Consent and the introduction of the Request to Remove Data form.

**8. Any other business**

A virtual meeting is to be convened for the Chair to 'meet' with the Head of the External Audit Service, Giles Kerkham of Larking Gowen.

SJones

It was noted that 'Common' Services (Shared Services) are unlikely to be operating in earnest until the summer of 2019 at the earliest. There are proposals being worked through currently to determine the best vehicle to deliver a Common Services strategy.

**Date of next meeting**

Tuesday 9 October 2018 at 5.00pm. West Suffolk College, TG1.16

The meeting closed at 5.55pm