

BOARD OF TRUSTEES – AUDIT AND RISK MANAGEMENT COMMITTEE

Minutes of the virtual meeting held on 21 June 2021 at 5pm

Present: A Maltpress R Inman (part)
J Wakelam (Chair) R Murray (observing)

In Attendance: A Lynch, M+A Partners (part)
C Bundy, Finance Manager
J Raffel, Group Director Finance
R Bamford, Group Director MI and Data
S Gales, Board Secretary
S Graham, Group HR Director
S Jones, Chief Financial Officer
T Elkin, Clerk

Apologies: There were no apologies

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

Action

1 **Apologies for Absence**
There were no apologies.

2 **Minutes of the meeting held on 8 February 2021**
The minutes of the meeting on 8 February 2021 were agreed as a correct record.

3 **Matters Arising from the meeting held on 8 February 2021**
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 **Internal Audit Recommendations Tracking Report**
2 of the 4 recommendations are complete with 2 in progress / on hold.

RInman joined the meeting at 5.04pm.

5 **Internal Audit**
5.i. **Audit Report**

M+A Partners completed two internal audits in April 2021: Procurement Review and Key Financial Controls.

Key Findings from Report:

- Procurement Review – Full assurance

The audit considered the internal controls relating to key financial controls and determined that there are one moderate and some minor weaknesses in the current system and some controls are not operating as designed. The report noted that “Overall the system of internal control is deemed adequate to manage risk and meet regulatory and best practice requirements. However, some areas were identified where improvements could be made to the design of controls” and “Generally controls that are in place are operating effectively. Our work has identified very few controls that are not operating as designed”.

The audit made 8 recommendations (1 moderate and 7 minor):

Moderate

1. To consider the processes around charge card statement reconciliations at ASFC to ensure appropriate segregation of duties or, if not possible, that the relevant cardholder reviews the monthly statement to confirm all transactions made are in line with their expectations.

JRaffel provided assurance to the Committee that a new structure/process has been implemented at ASFC to address the issue.

Minor

1. To ensure that authorisation of purchase orders is carried out prior to orders being placed with suppliers, not completed retrospectively.
2. The use of an electronic annotation on purchase invoices to provide evidence that the invoice has been agreed to goods received.
3. Finance staff to be reminded of the requirement for all expenditure over £50,000 to be authorised by the Chief Financial Officer.
4. Finance staff to be reminded that where a purchase invoice total exceeds the original approved purchase order total, further authorisation should be sought in line with the Scheme of Delegation prior to payment.
5. Where authorisations are obtained electronically by email, to ensure all relevant attachments are included on the final confirmation of approval or electronic signatures are inserted into pdf copies of documents as evidence of final approval.
6. To review charge card usage to ensure appropriate persons are cardholders in line with their job roles and the needs and activities of the Trust.
7. To develop the IT infrastructure to enable shared access to finance documentation across the Trust, where appropriate.

SJones and JRaffel summarised the actions taken/planned to be taken to address the recommendations; including providing further training to staff.

- Key Financial Controls – Full assurance

ALynch gave an overview of the report, which had not been pre-circulated to the Committee, which made 5 recommendations (2 moderate and 3 minor). ALynch agreed to circulate full report to the Committee for their consideration. JRaffel provided assurance to the Committee of the actions taken/planned to be taken to address the recommendations.

ALynch

5.ii. Proposed plan of works for 2021/22

ALynch summarised the scope of internal audit work which M+A Partners intend to complete in 2021/22:

1. Audit Committee oversight and governance
2. Key Financial Controls - payroll
3. Risk Register mitigating controls

ALynch noted that for many of the areas which the Executive suggested internal audits for, M+A Partners do not have the expertise to undertake these audits. The Committee noted that it might need to source an additional auditor to undertake these works.

Trustees asked if M+A Partners could create a 3-year rolling cycle with thematic audits to ensure that there is a systematic approach to constructing the internal audit plans.

ALynch

Trustees queried if, given the Trust's governance arrangements are likely to change in the coming months, the internal audit of the Committee's oversight and governance should be delayed to the summer term. The Committee agreed to delay the audit of the Audit Committee oversight and governance until summer and bring forward the audit of the Risk Register mitigating controls to the autumn term.

Trustees discussed the need for additional external assurance for cyber security, health and safety, and safeguarding arrangements and agreed to explore assurance options beyond M+A Partners.

ALynch left the meeting at 6.09pm

6 GDPR Update

Since March 2021, there have been 4 data breaches (1 at ASFC and 3 at OSFC), which have been investigated and any actions have been carried out and employees have been reminded of the importance of checking the contents and recipients before sending any personal or sensitive information. Of these, 1 was an ICO reportable breach involving the accidental emailing of personal sensitive data to the wrong person; and to mitigate the risk of a future recurrence additional measures have been implemented including: introducing 2-factor authentication for sensitive data sharing with parents, changing the way we share files (i.e. via OneDrive rather than an attachment, so that data can only be opened by the recipient) and provided additional training to all staff. There have been no Subject Access Requests across the Trust.

Following the GDPR Audit on 15 March 2021, which reviewed the actions taken since the audit last year as well as reviewing data protection documents, policies, IT security and GDPR training; the team are working to further develop policies and procedures as part of the action plan due for completion by the end of the academic year.

The Committee asked the DPO to provide assurance of the appropriateness and effectiveness of the Executive's action plan, policies and procedures, and progress towards GDPR compliance.

SGraham
DPO

7 Risk Management Update

There are currently **1 red**, **11 amber**, **4 yellow** and **4 green** risks on the register; including 4 new risks: R027 (yellow) relating to failure to achieve targeted savings in 2021/22 budget leading to future capital spending issues, R028 (amber) failure to obtain ESFA approval of RPTs, R029 (yellow) risk of covid-19 mitigation measures on student outcomes and R030 (red) risk of access to key systems due to malicious or illegal activity.

One risk has been removed from the register: R017 relating to not achieving a shared vision as due to progress with shared services this is no longer considered a relevant risk.

Trustees discussed R025 (relating to the Health and Safety audit at ASFC) and asked if this risk has now been resolved? SJones to confirm with RStevenson and circulate update to the Committee.

SJones

Trustees discussed R028 (relating to the risk of the RPTs not being approved) and asked if there had been any update on this from the DfE? SJones noted that we received confirmation on Friday that the RPTs had been rejected. Trustees queried whether the plan was to appeal? SJones agreed to appeal and to also notify the Board at its meeting in July, and to bring a plan as to how to proceed if the appeal is unsuccessful. JRaffel to also update the risk rating to red.

SJones

JRaffel

8 Any other Business

No items.

Meeting closed at 6.42m

Date of next meeting

- TBC.

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