

Audit & Compliance Committee

Monday 27 November 2023

Minutes

Present: Sugra Alibhai
Linda Horbye
Lucy Needleman
Zubair Shaikh (Chair)
Ellie Peters

In Attendance: Joanne Baxter (items 1-5)
Claire Mugridge
Jeremy Ruff
Beth Holmes
Peter Mackereth (items 1-4)

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| 1. | Governance |
| 2. | Minutes of Previous Meeting |
| 3. | Matters Arising |
| 4. | Financial Statements |
| 5. | Cyber Security Update |
| 6. | Audit Action Plan |
| 7. | Risk Register |
| 8. | Complaints Update |
| 9. | Health & Safety Report |
| 10. | Fraud Report |
| 11. | GDPR |
| 12. | Any Other Business |

| Minute | Decision /Action/Recommendation | D/A/R |
|--------|---|-------|
| 1.3 | Future meetings of the Audit & Compliance Committee would commence at 5:00pm. | D |
| 3.8 | <i>(Carried forward from 22 May 2023)</i> Sugra Alibhai to investigate how risk registers are managed at large Academy Trusts at the upcoming Trust leaders meeting. | A |
| 3.12 | <i>(Carried forward from 22 May 2023)</i> Zubair Shaikh to raise the issue around the size of the Audit & Compliance Committee at the upcoming Board of Trustees meeting. | A |
| 4. | To recommend the 2022-23 accounts to the Board of Trustees for approval, noting that a statement around the DfE's legal charge for the ICLMS land is still to be added. | R |
| 6. | Number of cyber-attacks and data breaches to be included in the CEOs report and Clerk to ensure that cyber security is included in the Committee's Terms of Reference. | A |
| 7. | Sugra Alibhai to discuss carbon emissions with the SFCA. | A |
| 9. | To approve the Health & Safety Policy and Clerk to recirculate this with tracked changes. | D/A |

1. **Governance**
 - 1.1. **Apologies**
None.

1.2 Declaration of Interest

None declared.

1.3 Meeting Times

It was agreed that future meetings of the Audit & Compliance Committee would commence at 5:00pm.

Decision

2. Minutes

The minutes of the meeting of 22nd May 2023 were approved as a true and accurate record of the events that took place, with minor amendments. As part of item 3 was deemed to be confidential, this would be removed prior to the minutes being uploaded to the Trust website.

3. Matters Arising.

The Committee requested that the Clerk make it clear in the minutes when an action has been carried over from a previous meeting.

3.4 Sugra Alibhai and Claire Mugridge had drafted a statement outlining how much money should be spent on entertainment and this had been approved by the Committee electronically.

2. The Clerk had included a question around the effectiveness of the Trust's cyber security training in the governance self-assessment questionnaire and the training had received mixed feedback.

8. Sugra Alibhai to investigate how risk registers are managed at large Academy Trusts at the upcoming Trust leaders meeting.

Action

12. Zubair Shaikh to raise the issue around the size of the Audit & Compliance Committee at the upcoming Board of Trustees meeting.

Action

4. Financial Statements 2022-23

Peter MacKereth, Buzzacott, presented the draft accounts and post-audit report, thanking the Trust's finance team for its support. Governors noted that the accounts follow a similar format to last year and no material changes are expected.

Peter informed the Committee that this was a good, clean audit, supported by an unqualified opinion, and, in terms of regularity, that all funds had been used for their intended purpose.

The Committee noted that the Trust made an operational surplus of £625k, before LGPS adjustments and the movement on the restricted fixed asset fund. Governors also noted that, like many Trusts in the sector, the pension liability became an asset this year. **In response to a question from Trustees**, Peter confirmed that this calculation is based on the latest actuarial data but, now that this is an asset, this is shown as zero in the final accounts.

Peter confirmed that, as at 31 August 2023, the Trust had revenue reserves of £4.1m, which consisted of £3.1m of general unrestricted funds and £1.0m of General Annual Grant (GAG) reserves. Peter explained that the ESFA may challenge Trusts who hold more than 20% of GAG in reserves and **in response to a question from Trustees**, Peter confirmed that Frontier Learning Trust has

stated in its Reserves Policy that it plans to use its reserves for one-off infrastructure projects and to continue to support the repair and refurbishment of the Woodhouse College estate. In addition to this, Peter confirmed that Trusts which are expanding, such as Frontier Learning Trust, are generally expected to hold higher levels of reserves.

The Committee considered the post-audit report, noting that there was one ‘low level’ recommendation that the Trust updates its expenses policy to include the stipulation from the Academy Trust Handbook that no alcohol is purchased by the Trust.

Trustees also noted the regularity assessment and letter of representation.

The Committee agreed to recommend the 2022-23 accounts to the Board of Trustees for approval, noting that a statement around the DfE’s legal charge for the ICLMS land is still to be added.

Recommendation

The Committee thanked Claire Mugridge and her team for this work.

5. **Confidential Item**
Confidential minute.

6. **Audit Action Plan**

The Committee reviewed the audit action plan, which contained the actions from the previous internal audit on website compliance and cyber security. It was noted that, as the Marketing Manager was currently not in college, some actions are expected to be completed during the spring term.

It was noted that the report recommended that cyber security is added as a standing item at all Board of Trustee meetings, but it had been agreed that the Board delegates this responsibility to the Audit & Compliance Committee. However, it was requested that the number of cyber-attacks and data breaches are included in the CEOs report. Trustees also requested that the Clerk ensure that cyber security is clearly stated in the Committee’s Terms of Reference.

Action

In response to a question from Trustees, it was confirmed that staff, governors and Trustees receive cyber security training. It was noted that students do not receive cyber security training but only have limited access to the network and must use MFA to access their email addresses when off-site.

7. **Risk Register**

The Committee received the Trust, Woodhouse and ICLMS risk registers, noting the key changes, particularly the increased GDPR and cyber security risks. Sugra Alibhai explained that, whilst there is synergy between the three risk registers, each institution also has individual challenges, such as delays in the permanent ICLMS building, which is now expected to complete in Easter 2025. **In response to a question from Trustees**, Sugra explained that the DfE has committed to providing temporary accommodation in the interim.

It was noted that, as requested at the Board of Trustees meeting, climate has now been added to the risk register and, **in response to a question from Trustees**, Sugra explained that this is not something that is particularly high on the DfE agenda at present and schools are under no requirement to report on their carbon emissions. Sugra agreed that she would raise this with the SFCA. It was noted that the Trust remains aware of carbon emissions and considers this when making decisions around the site, such as choosing suppliers in the UK and installing energy-efficient bulbs in the summer.

The Committee discussed fire evacuations, noting that the addition of ICLMS on site had created some challenges. However, Claire confirmed that the fire evacuation plans have been revised and the most recent evacuation went much more smoothly.

It was noted that Woodhouse is facing some challenges around recruitment of teachers in law and computer science, but the College remains fully staffed at present.

Confidential minute.

8. Complaints Update

Sugra Alibhai informed the Committee that, as a result of two recent parental complaints, the Trust is reviewing its Complaints Policy. It was noted that, whilst the policy is fully compliant, using this in practice has shown where it can be improved, such as making timelines more realistic and ensuring that complainants cannot expand the scope of their complaint mid-way through the process. It was noted that this would be presented at a future meeting of the Committee.

In response to a question from Trustees, Sugra confirmed that training around the handling of complaints would be taking place with middle leaders and consideration would also be given to whether this is needed by Governors and Trustees, given that complaints are increasing nationally.

9. Health & Safety Report

Confidential minute.

In response to a final question, it was confirmed that the responsibility for health & safety sits with Trustees, rather than governors.

10. Fraud Report

There had been no instances of fraud or attempted fraud.

11. GDPR

The Committee considered the GDPR report, noting that there had been 2 significant data breaches this term. **In response to a question from Trustees**, Beth Holmes confirmed that, as a result of one of the breaches taking place due to human error, only members of the Senior Leadership and College

Management Teams can now send emails out to large groups of parents, and these will be quality checked prior to being sent.

In response to a final question from Trustees, Beth confirmed that there has been no indication that there would be any litigation as a result of these breaches and, if this was ever to be the case, the Trustees would be informed.

12. AOB

It was noted that safeguarding training is still required for those who missed the session in September.

The meeting concluded at 7:55pm