

Audit & Compliance Committee

Monday 20th May 2024

Minutes

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

In Attendance: Joanne Baxter (items 1-3)
Beth Holmes
Claire Mugridge
Jeremy Ruff
Dawn Turner, Price Bailey (items 1 & 2)

1.	Governance
2.	Internal Scrutiny Report
3.	Cyber Security and IT Status Update
4.	Minutes of Previous Meeting
5.	Matters Arising
6.	Financial Statements 2023-24
7.	Audit Action Plan
8.	Risk Register
9.	Policies
10.	Health & Safety Report
11.	Fraud Report
12.	GDPR
13.	Any Other Business

Minute	Decision /Action/Recommendation	D/A/R
2.	Claire Mugridge to speak to other sixth form colleges to see how the review of new contracts is managed elsewhere.	A
3.	Jo Baxter to provide an outcome following the Woodle cyber-attacks once more information is known.	A
5.5	<i>Confidential action.</i>	A
6.	Claire Mugridge to forward the external audit planning document once available.	A
7.	Beth Holmes to amend the Audit Action Plan, ensuring that the owner of each action is added, along with the date this was identified and the proposed completion date.	A
12.	Beth Holmes to formalise the GDPR report, including data on trends in breaches and the actions that are taken as a result of these.	A

1. Governance

1.1. Apologies

Lucy Needleman.

1.2 Declaration of Interest

None declared.

2. Internal Scrutiny Report

Dawn Turner presented the latest internal scrutiny report conducted by Price Bailey, which focused on key financial controls. Dawn explained that the scope of this audit was relatively wide and covered policies & procedures, bank accounts, income recording, ordering & paying for goods, use of credit cards, finance systems & monthly controls and general financial management.

Dawn confirmed that there were four recommendations from the audit, three of which were rated low and one rated medium, and added that all recommendations evidence that the Trust has sound internal controls in place but these need to be formalised and documented.

The Committee considered the low-risk recommendations which were implementing a defined process around debt chasing, new suppliers submitting a 'new supplier' form and documenting the month-end reconciliation. In addition to this, there was one medium risk recommendation around verifying when an existing supplier changes their details.

Trustees questioned whether it was usual that bank reconciliations are conducted on a weekly basis or if this should be done more frequently. Dawn confirmed that many schools conduct a formal monthly reconciliation, whereas Frontier Learning Trust carries this out on a weekly basis. Claire Mugridge confirmed that this is appropriate due to the small number of transactions that take place. **In response to a follow-up from Trustees**, Claire explained that this is currently a manual process, but the Trust will look to see whether this can be automated.

In response to a follow-up question, Claire confirmed that, whilst the Trust is comfortable with the proposed deadlines to action the recommendations, implementing a new supplier form may take some time to fully embed as staff will need to remember to send this well in advance of receiving an invoice to ensure processing runs smoothly.

Trustees questioned what the process was for new suppliers and Claire explained that the Trust currently ask suppliers to provide their company details on a pdf on headed paper. The Trust will now adopt a formal process for this, whilst maintaining the balance of having sound internal controls and ensuring that this remains manageable for staff.

Noting that the Trust must read all contracts for new suppliers, **the Committee suggested** whether the lawyers could support in identifying potential pitfalls and it was agreed that Claire Mugridge would speak to other sixth form colleges to see how this is managed elsewhere.

Action

The Committee thanked Dawn for her report and the Trust for its ongoing hard work in this area.

3. Cyber Security and IT Status Update

Jo Baxter informed the Committee that on 10 May 2024, a student reported that

he was able to log into Woodle, the intranet used by both staff and students, using incorrect passwords and the site was immediately shut down. Jo explained that, after investigation, it was found that the login process, which has been used for many years, was no longer generating an ‘incorrect password’ response. **In response to a question from Trustees**, Jo explained that the Trust is currently investigating when this issue started and has also reported this to the RPA Cyber Security Team as a potential cyber-attack. In addition to this, penetration testing will also be taking place but, this lies outside of the remit of the cyber insurance cover and will incur an additional charge.

It was noted that a separate Woodle incident took place on 26 April 2024, where users were having issues accessing the site, and investigation revealed that this was a Distributed Denial of Service Attack (a cyber-attack where the attacker floods a service with internet traffic to prevent users from accessing services and cause disruption). It was agreed that Jo Baxter would provide an outcome following these incidents once more information is known.

Action

In response to a question from Trustees, Sugra confirmed that the Trust has migrated to Microsoft 365 in place of Woodle for some services. It was noted that the Trust remains mindful of Woodle’s limitations and is considering its long-term viability.

Trustees expressed concern that the Leadership does not have the financial resource to be able to be proactive in this area and is forced to respond to individual issues. Sugra explained that further investment in IT is something that has been discussed with Trustees, with changes coming into effect after half term and additional staffing resource included in the budget for next year.

4. Minutes

The minutes of the meeting of 26th February 2024 were approved as a true and accurate record of the events that took place, with minor amendments. As item 5 was deemed to be confidential, this would be removed prior to the minutes being uploaded to the Trust website.

5. Matters Arising.

4.3.8 *(Carried forward from 22 May 2023)* Sugra Alibhai explained that she has spoken to the CEOs of other Multi-Academy Trusts and informed the Committee that there is a variety of practice around risk management, with some Trusts having individual risk registers for each school and others having a universal risk register with delegated school risks. **In response to a question from Trustees**, Sugra confirmed that the recent External Review of Governance recommended that the Trust discusses and agrees its risk appetite before agreeing an updated strategy.

In response to another question from Trustees, Sugra confirmed that the Trust has a Risk Policy but, again, this will need to be reviewed in line with the Trustees’ risk appetite.

The question was raised around who should agree the risk appetite i.e. the Board of Trustees or the Audit & Compliance Committee. This was discussed at length, and it was agreed that, whilst the Committee has the expertise in this area, all Trustees must be comfortable with risk appetite.

4.7 *(Carried forward from 27 November 2023)* Sugra Alibhai confirmed that she has discussed climate change with the SFCA and, whilst this is not currently a priority for the DfE, the Trust will be drafting a climate action plan next year.

5. *Confidential action.*

Action

7. The risk register has been reviewed, with the Audit & Compliance Committee not being the owner of any risk and some risks remaining as both accepted and reduced.

6. **Financial Statements 2023-24**

Claire Mugridge confirmed that a meeting has taken place with the external auditors and the audit cycle for next year has been agreed. Claire confirmed that she would forward the planning document once received

Action

It was also noted that the internal scrutiny plan is being considered by the Senior Leadership Team and the auditors have suggested that HR processes, procurement and GDPR are reviewed in the next round.

7. **Audit Action Plan**

The audit action plan was considered, and Trustees were informed that the recommendations from the internal scrutiny report would be added to this.

The Committee received an update on each action, noting that the Board has now reviewed the risk register but a wider conversation around risk needs to take place. It was also noted that the Trust is working through the recommendations related to cyber security, given the recent incidents.

It was requested that the owner of each action is added, along with the date this was identified and the proposed completion date.

Action

8. **Risk Register**

The Committee received the Trust risk register, noting that there have been no changes since the last meeting and Sugra outlined the rationale for this.

In response to a question from Trustees, Sugra confirmed that the Trust is mindful of the financial impact of a decrease in student enrolment at ICLMS, given the potential delays of the building, and is currently calculating this.

9. **Health & Safety Report**

The Committee considered the health & safety report, noting in particular that one RIDDOR notification was made, and the Committee was informed of the

details of this.

In response to a question from Trustees, Claire confirmed that the Trust's Terms & Conditions state that each hirer is responsible for their own health & safety, such as providing a first aider.

The Committee fed back that the 'incidents by day' was not particularly helpful at Trust level and whilst acknowledging this, Claire confirmed that this is helpful at an operational level by identifying patterns with particular lets.

10. Fraud Report

There had been no instances of fraud or attempted fraud.

11. GDPR

The Committee considered the GDPR report, noting that there have been two data breaches, which were low level, and one subject access request since the last meeting. Beth Holmes reminded the Committee that, with the opening of a new school within the Trust, the number of breaches may increase.

The Committee requested that more information is provided within this report, such as trends and the actions that are taken as a result of data breaches.

Action

12. AOB

The Committee was informed that the Trust has been successful in one of its CIF bids and will receive £690k for the upgrade of fire doors, which will also increase security within Woodhouse College by allowing certain parts of the campus to be locked off.

The meeting concluded at 6:25pm