

Testwood School

Internal Scrutiny Annual Report FY2021-22 FINAL

For the attention of: The Trustees of Testwood School

From: Nick Whitcher, Internal Scrutineer and Testwood Trustee

Date: 5 December 2022.

Exec Summary:

The overall state of the systems and processes reviewed in FY2021-22 is “**good**” although the work to progress IT controls is a priority for 2022-23.

The School Risk Register (SRR) was fully refreshed in September 2020 and remains a valid baseline of the risks faced by the School and can continue to be used to determine the program of work for internal scrutiny.

The School has operated effectively during the first year leading to summer exams since the pandemic began and the Trustee Body has been identified as discharging its duties effectively, albeit that there are enhancements that can be adopted.

Introduction:

The SRR was reviewed by the Buildings and Finance Panel on 18th November 2020. At the subsequent Panel meeting on 3rd March 2021, the Internal Scrutineer proposed a sub-set of Risks from the SRR for review in FY2020-21. This approach was taken again at the Buildings and Finance Panel on 17 November 2021; the agreed Risks for scrutiny in FY2021-22 are described on **Tab 3 Review Log of Risk Register September 2021.xlsx** which is available separately.

The Internal Scrutineer is required under the Academies Financial Handbook 2021 to review and report to the Trustees of the School Buildings & Finance Panel the robustness of the financial and other systems and processes which take place in School. This is then summarised in a report which accompanies the annual accounts of the School on submission to the ESFA (Academies Financial Handbook 2021 sections 3.15 and 3.23).

This report has been prepared for the Buildings & Finance Panel at the Autumn 2022-23 Panel meeting on 16 November 2022, and the Full Trustee Body meeting on 12 December 2022.

Approach & Opinion

Since the full removal of COVID restrictions, meetings have been held in School on 18 June, 22 and 24 August 2022. Scrutiny was carried out through enquiry and review, with the School Director of Finance (DoF), the full Trustee body, and Hampshire County Council Governor Services. It is the opinion of the Internal Scrutineer that a concentrated review at the end of the year has benefits versus spreading the review across the year, but to progress any outstanding areas time may be of the essence.

The Trustees agreed to internal scrutiny review across three key themes:

- Business continuity and disaster recovery: under the SRR Category 1 risk of **Academy/Strategic**.
- **Information Systems, Data & Security**: which took in the full range of Category 2 and Category 3 risks under this Category 1 Risk.
- **Trustee Body**: which took in the full range of Category 2 and Category 3 risks under this Category 1 Risk.

Opinion has been categorised as “**good**” or “**requires improvement**”. Recommendations under each system/process reviewed have been prioritised using **High/Medium/Low** to indicate urgency.

Summary of #1 Business Continuity (BC) and Disaster Recovery (DR):

Opinion

My opinion is “**good**”. The previous BC/DR Plan dated from June 2018. This was reviewed page by page with the Director of Finance (DoF) and updated accordingly. The revised Plan – “BUSINESS CONT.PLAN REVISED SEPTEMBER 2022.docx” – forms a key part of the School’s policies and procedures. The Plan references another School procedure, “**Critical Incidents: Procedures and Guidelines 2022/23 (updated September 2022)**”, which has been updated separately.

Recommendations

- No recommendations were noted.

Management Response

Not required.

Summary of #2 Information Systems, Data & Security

Opinion

My opinion is “**requires improvement**”; the existing control framework needs to be progressed as a priority to clearly embed the Category 2 and 3 risks including GDPR compliance, cyber security, and unauthorised access to systems. The document “Data Controls.pdf” is a clear repository of the systems operated by the School, however more work is required around protecting systems from cyber-attack, and the School’s approach to GDPR (it is noted however that the School operates a Data Protection Policy which is current and available to stakeholders via the School website).

Recommendations

- Complete the IT controls work during Spring Term 2022/23. **H**

Management Response

Currently work in progress. The school recognised the requirement to improve current controls for the protection of data and is committed to complete the task as recommended by the end of the spring term 2023.

Summary of #3 Trustee Body

Opinion

My opinion is “**good**”; the School’s Trustees were deemed to be effective overall although there are areas that can be improved. The Category 1 Risk of ensuring governance of the School is effective requires an external view to provide an objective perspective. Hampshire County Council Governor Services provided this objectivity through a review session hosted by Gordon Duff. Gordon is an experienced school governor and advisor and took the Trustees through a framework for effective governance.

The Trustees spent several hours discussing the role of a trustee in an academy trust, how the role should be strategic rather than operational, and what good governance looks like. Through questioning and feedback from Trustees, Gordon identified many areas of good practice and several improvement actions which now constitute an action plan for the School’s Trustees. This action plan was reviewed by the Chair and Vice Chair of Trustees and subsequently briefed to the Full Trustee Body on 28 September 2022.

The action plan – “**Testwood School Development Plan - Template.docx**” – Is available separately.

Recommendations

- Implement the actions identified in the action plan. **M**

Management Response

Not required.

Summary of further items identified during review with the DoF

- Review the need for a control to ensure segregation of duties such that financial transactions cannot be run end to end by the same individual without checks and balances. **ACTION: internal scrutineer to review.**
- The need for an updated Scheme of Delegation was identified at the B&F Panel on 9 March 2022. This has been written and will be presented to the B&F Panel meeting on 16 November 2022. **ACTION: ensure document is satisfactorily approved at the Panel.**
- Single Central Register (SCR) review is no longer the direct role of the Trustees, who instead should triangulate through questioning the Head Teacher whose responsibility it is to ensure the SCR is reviewed and updated. This change was advised by the Key For School Governors on 22 November 2021. **ACTION: ensure the Head Teacher's review of the SCR is triangulated at the SP&P Panel as a standing agenda item.**
- The appointment of the School's External Auditor was put out to tender. Moore Chartered Accountants was re-appointed following review at the B&F Panel on 15 June 2022, where Trustees asked questions about the relative merits of the audit firms that responded to the tender and the School's preference to re-appoint Moore. The Panel agreed to delegate the decision-making authority on this matter to the Panel Chair and Chair of Trustees jointly. **No further action.**
- "School Resource Management Self-Assessment Checklist 2021/22" was completed by the DoF working with Trustee. It was presented to the B&F Panel on 9 March 2022 where the gaps and remediation actions were discussed ahead of submission to the DfE on 15 March 2022. **No further action.**
- The SRR was reviewed at a high level and the following updates were noted: (1) expand the Category 1 Risk "Information Systems, Data & Security" to include availability of IT for remote learning now that all homework is set on Google Classrooms for students to work on remotely; (2) expand the Category 1 Risk "Leadership / Key Staff" to include middle leaders such as IT, catering, site management and office, as it has become harder to replace good people in these roles. **ACTION: internal scrutineer to update the SRR and ensure a more thorough review of the SRR takes place as part the internal scrutiny plan for 2022-23.**

Follow Up Reviews/Outstanding Actions

- Other Trustees should take the opportunity to review the SCR when in School (Covid-19 restrictions permitting). **L green**
 - CLOSE: complete (guidance on SCR review has changed – see "Summary of further items identified during review with the DoF" above).
- The BCP/DR will be reviewed and revised because of the controls assessment and risk management requirement which will be clearly stated in the Risk Register (see above). **M green**
 - CLOSE: complete (see "Summary of #1 Business Continuity (BC) and Disaster Recovery (DR)" above).
- Recovery of learning and education and returning to pre-pandemic activities should be documented in the School Improvement Plan. This document already exists, is reviewed regularly and is subject to oversight by a Trustee sub-panel. **H green**
 - CLOSE: complete, the School Improvement Plan is a standing agenda item for the Full Trustee Body (FTB) meetings.
- Continue to review the progress and budgetary documentation of the CIF build which is due to finish at the end of 2021. Ensure documented evidence is provided at B&F Panel and FTB meetings, as required. **M green**
 - CLOSE: complete, the CIF build was completed successfully and on time in December 2021 and budgetary aspects have been closed.
- All staff contracts require disclosure of related party interests. These disclosures are to be added as a record field in the Single Central Register and updated in the School Finance Regulations handbook. **M green**
 - CLOSE: complete, both have been updated.

Overall Opinion of School Control Environment

My overall opinion is “**good**” although the work to progress IT controls is a priority for 2022-23. With the SRR in place, internal scrutiny can continue to be clearly directed and the stated risk appetite of the School and Trustees challenged accordingly.

Fraud

No fraud was identified.

Cost of Work

Internal Scrutiny was carried out on a voluntary basis by a suitably experienced Trustee.

Looking Forward

The 2022-23 programme of internal scrutiny will be agreed with Trustees at the Buildings & Finance Panel on 16 November 2022 and ratified by the Full Trustee Body on 12 December 2022.

Actions from last year’s report that haven’t been completed satisfactorily will be included in the 2022-23 programme.