

Testwood School Internal Scrutiny Annual Report FY2023-24

For the attention of: The Trustees of the Buildings & Finance Panel

From: Nick Witcher, Internal Scrutineer (and Testwood Trustee in this school year)

Date: 13 November 2024

Exec Summary:

The overall state of the systems and processes reviewed in FY2023-24 is “**good**” with only one concern of note that was addressed “live” but has been noted here as a control enhancement (this relates to the budget over-spend on alternative provision – see *Summary of #6 Delegation of Authority* below).

The School Risk Register (SRR) itself was reviewed to ensure it 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 SRR continues to be enhanced as new risks and concerns emerge. These are alerted to the Internal Scrutineer by the School SLT and the Trustee Body.

The School has continued to operate effectively in the areas scrutinised. The School’s overall appreciation and mitigation of risks through adequate controls continues to be tangible. The appointment of the current Headteacher and Chair of Trustees at the beginning of this year has provoked further consideration of what constitutes a robust risk environment.

Introduction:

The revised SRR was reviewed by the Buildings and Finance Panel on 18th November 2020. There have now been four years of Internal Scrutiny using the SRR as the baseline for these reviews. The latest version of the SRR *Risk Register August 2024.xlsx* is available separately.

The Internal Scrutineer is required under the Academies Handbook 2023 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. Requirements for Internal Scrutiny are set out in the Academies Handbook 2023 Part 3.

This draft report has been prepared for initial review by the Director of Finance and the School’s external auditors and will be presented to the Buildings & Finance Panel on 13 November 2024 for challenge and ratification, as per the Panel’s Terms of Reference.

Approach & Opinion

Meetings have been held in School on 16th August with the Director of Finance (DoF), 22nd August with the DoF, Head Teacher and ICT Network Manager, and the Chair of Trustees (CoT) on 11th October. Scrutiny was carried out through enquiry and review.

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

- **#1 Leadership / Key Staff** (Category 1 risk): which took in the full range of Category 2 and Category 3 risks under this Category 1 risk.
- **#2 Staff** (Category 1 risk): which took in the full range of Category 2 and Category 3 risks under this Category 1 Risk.
- **#3 Management Information** (Category 1 risk): which took in the full range of Category 2 and Category 3 risks under this Category 1 Risk.
- **#4 Cyber security**: cyber security is a very current risk, the purpose of revisiting this Category 2 risk so soon was to identify how School systems are protected, e.g., Arbor; and **unauthorised systems access** which is a new Category 2 risk added under the Category 1 risk Information Systems, Data & Security.

- #5 **Payroll**: new Category 2 risk added under the Category 1 risk Financial Management – Ledger.
- #6 **Delegation of authority**: issue identified during the summer term has required the additional review of this Category 2 risk under the Category 1 risk Financial Management.
- #7 **Buildings / Estate**: new Category 2 risk added under the Category 1 risk Academy / Strategic.

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.

The details captured in the enquiry conversations are shown in Appendix One.

Summary of #1 Leadership / Key Staff

Opinion

My opinion is “**good**”. The embedding of the new SLT is ongoing but as a team they have invested a lot of time building their approach to managing Testwood for the best outcomes. The HT is clearly leading his team and is very mindful of the capabilities needed for the School to succeed.

Recommendations

- 2023-24 was the first full school year for the “new” team. This risk should be reviewed again as part of the 2024-25 Internal Scrutiny programme. **M**

Management Response

Not required.

Summary of #2 Staff

Opinion

The performance of all staff and their impact on teaching is clearly a priority for the School. My opinion is “**good**” based on the significant activities undertaken to monitor and improve performance, and to bring new staff into school when vacancies arise.

Recommendations

- 2023-24 was the first full school year for the “new” team. This risk should be reviewed again as part of the 2024-25 Internal Scrutiny programme. **M**

Management Response

Not required.

Summary of #3 Management Information

Opinion

The suite of financial information provided to manage and oversight the School, and the scrutiny by the HT, SLT and the Trustees through the B&F Panel and FTB, is comprehensive. My opinion is “**good**”. Reporting unfortunately fell short in one situation (see “Summary of #6 Delegation of Authority”) but otherwise is a credit to the School.

Recommendations

- The scope of Management Information should be extended to include other School data such as attendance, behaviour and results – as primarily reported to the SW&C Panel and the FTB. **M**

Management Response

Not required.

Summary of #4 Cyber Security and Unauthorised Systems Access

Opinion

My opinion is “**good**”. The new ICT Network Manager is very competent and has introduced an improved level of scrutiny and process in protecting the School’s systems from unauthorised access and cyber attack.

Recommendations

- The Category 1 risk Information Systems, Data and Security should be reviewed regularly and therefore should be included in the 2024-25 Internal Scrutiny programme. **H**

Management Response

Not required.

Summary of #5 Payroll

Opinion

Payroll has been reviewed through the previous manifestation of the internal scrutiny programme (under the “responsible officer”). This control has just been introduced and my opinion is “**good**” due to the comprehensive oversight applied to the School’s payroll.

Recommendations

- No recommendations.

Management Response

Not required.

Summary of #6 Delegation of Authority

Opinion

The specific issue that arose during the summer term and has led to this risk being included in this year’s internal scrutiny programme, was resolved while it was “live”. The review here confirms that the control to limit the situation of an overspend arising and the early scrutinization of the B&F Panel and/or FTB is in place.

Recommendations

- No recommendations.

Management Response

Management has already responded through the work to rectify the overspend and ensure the necessary oversight is in place.

Summary of #7 Buildings / Estate

Opinion

My opinion is “**good**”. The School’s response to tackling its backlog of maintenance (caused by insufficient budget) through prioritisation and bringing in professional help to maximise the opportunity to win CIF bids.

Recommendations

- No recommendations.

Management Response

Not required.

Summary of #8 Trustee Body

Opinion

My opinion is “**good**”. The current CoT is working well with the current Designated Training Governor (DTG) to review the skills of the Trustees as well as looking for new training opportunities. Trustees are encouraged to seek their own training opportunities too. The new Trustees joining for 2024-25 will

bring skills that backfill (following two resignations) and complement the overall competence of the Trustee Body.

Recommendations

- No recommendations.

Management Response

Not required.

Follow Up Reviews/Outstanding Actions

FY 2021-22

- Implement the actions identified in the action plan. **M amber**
 - C/f: completeness of the Trustees' action plan to be reviewed with the new Chair of Trustees.
 - CLOSE: reviewed in 2023-24 under trustee body (see "Summary of #8 Trustee body" above).

FY 2022-23

- **#1 School Risk Register:**
 - School needs to consciously consider the MAT question (although noted that it's not a priority for the DfE currently). ACTION HT / COT to form a small group to consider the School's position, documented and agreed at the next FTB. **M**
 - CLOSE: MAT establishment is not currently a priority for the DfE or Ofsted. Reconsider this question at a more appropriate time.
 - New AFH 2023 Must Do list to be reviewed. ACTION RO to report back to the November 2023 B&F Panel. **H**
 - CLOSE: Internal Scrutineer (RO) reported back initial findings. Should be continually reviewed by the B&F Panel.
 - Reinforced need to maintain systems access due to setting and completion of homework on Google Classrooms. Category 2 Risk added under Information Systems, Data & Security. ACTION RO to propose this additional risk is reviewed as part of the 2023-24 Internal Scrutiny programme. **H**
 - CLOSE: reviewed in 2023-24 under unauthorised systems access (see "Summary of #4 Cyber security" above).
 - School Self-Evaluation Form (SEF) and School Improvement Plan (SIP) to be revisited based on the revised OFSTED inspection regime. ACTION HT to review and document to be agreed at the next FTB. **H**
 - CLOSE: SIP and SEF are part of the ToR for the FTB.
 - Creation of a cleaning policy. ACTION DoF to review and document to be agreed at the November 2023 B&F Panel. **H**
 - *Confirm if this has been completed?*
 - Category 1 Risk for the maintenance of the school buildings and estate to be reviewed. ACTION RO to propose this additional risk is reviewed as part of the 2023-24 Internal Scrutiny programme. **H**

- CLOSE: reviewed in 2023-24 under buildings and facilities (see “Summary of #7 Buildings / Facilities” above).
- **#2 Information Systems, Data & Security:**
 - Overall update to be provided by the ITM to the B&F Panel in order to provide regular updates across this fast-moving Category 1 Risk. Review to be added to the Terms of Reference and agenda of the B&F Panel so the current status can be regularly monitored. **H**
 - *Confirm if this has been completed?*
 - Review the requirements of DfE guidance “Meeting digital and technology standards in schools and colleges” (updated 29 March 2023). **H**
 - *Confirm if this has been completed?*
 - Review the resources of the National Cyber Security Centre (NSCS). **H**
 - CLOSE: NSCS guidance and support utilised (as set out in this report).
 - Review the ESFA guidance “Cyber crime and cyber security: a guide for education providers” (updated 20 June 2023). **H**
 - *Confirm if this has been completed?*
 - IT Strategy Group to provide a review plan of infrastructure based on expiration, as part of the overall oversight by the B&F Panel identified above. **H**
 - *Confirm if this has been completed?*
- **#3 Financial Management and Financial Management Ledger:**
 - Add a payroll risk and control to the SRR. Review its effectiveness in 2023-24. **H**
 - CLOSE: added and reviewed in 2023-24 under Payroll (see “Summary of #5 Payroll” above).

Overall Opinion of School Control Environment

My overall opinion is “**good**”. Internal Scrutiny work over the last four school years has identified various improvements to the risk oversight and preferences of the School. Internal scrutiny can continue to be clearly directed, and the stated risk preferences 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 2024-25 programme of internal scrutiny will be agreed with Trustees at the Buildings & Finance Panel on 13 November 2024.

Leadership / Key Staff

Appendix One

Category 2	Description	Control	Outcome	Test
SLT member capability	SLT member(s) do not have the capability to run the School day to day and / or to seek & implement improvements which take the School towards Outstanding	Regularly review actual performance vs capability benchmarks (particularly of senior staff at Outstanding schools).	Gaps are identified & performance plans put in place which are linked to PDP's.	<p>Training: for inexperienced/new to post. Develop subject knowledge relevant to roles & building links to other schools.</p> <p>Challenge Partners: programme working with & evaluating other schools & being evaluated.</p> <p>Work to be done to build performance management, goals, CPD, part of regular line management.</p> <p>Capability policy might be enacted if not able to perform adequately.</p>
SLT member prolonged absence	Functions of the SLT member on prolonged absence are at risk	Ensure there is a short to medium term successor(s) already on Staff from the next layer down (HoD) who has been sufficiently mentored and developed to take on the role on an interim basis; if these skills do not exist then consider bringing someone in (but only as a last resort).	Successor should be available to step-up and fill a key role in the event of the prolonged absence of an SLT member.	<p>Teaching staff: combination of distribution of responsibilities within the SLT plus create the opportunity for someone to step up on a 'lighter duties' basis – associate SLT member. But need to create space elsewhere. Seen as an opportunity.</p> <p>Business manager: use network of Headteachers to find and use spare capacity. Professional advice on how to cover it. Maybe an interim position. Current finance assistant being upskilled.</p>
SLT member loss	Functions of the lost SLT member are at risk without a suitable replacement	Ensure there is a long term successor(s) already on Staff from the next layer down (HoD) who has been sufficiently mentored and developed to take on the role permanently; if these skills do not exist then consider bringing someone in from outside - either as a last resort or because of the opportunity to introduce "new thinking".	Successor should be available to step-up and fill a key role in the event of losing an SLT member.	First thought – does the role need replacing? If it does, then same as long-term sick. Easier to make arrangements with a different end date. Then recruit.

Key middle management loss	Functions of the lost middle management member are at risk without a suitable replacement	Ensure there is a long term successor(s) already on Staff from the next layer down who has been sufficiently mentored and developed to take on the role permanently; ensure external links are maintained so that if these skills do not exist then an external replacement can be employed - either as a last resort or because of the opportunity to introduce "new thinking".	Successor should be available to step-up and fill a key role in the event of losing a key middle management member.	Currently covering for Head of IT. Another middle leader is leading that department additionally, time for that individual freed up to enable them to cover both duties. Depends somewhat on fit and capacity – more of a management than an SME role.
SLT member integrity	SLT member(s) become disenfranchised and / or capability diminished, compromising the standing of the School	Stay close to the wellbeing of all SLT members in order to identify early signs and take steps to remediate before becoming an entrenched problem.	Concerns of disaffected SLT members are identified as early as possible and steps taken before the issue grows.	HT keeps close to his team and should pick up on any concerns. If an accusation is made, will need to be dealt with as per existing procedures. Disciplinary policy.

Staff

Category 2	Description	Control	Outcome	Test
Inadequate teaching standards (capability)	Staff member(s) lacks the capabilities - either more broadly or subject-specific - to meet the requirements of the National Curriculum and raise teaching standards	All Staff are reviewed against the relevant performance criteria; all criteria have performance ranges; all Staff falling below the minimum standard have improvement plans linked to their PDP's.	Staff not meeting the appropriate standards have targeted plans to remediate the gaps, which are linked to PDP's.	Regular review of practice by SLT and curriculum leaders. Set targets, review, no progress made then dismissal.
Poor performance isn't managed	Poor performance is not identified by the School or not acted on, lowering teaching standards			Support or training put in place for individuals.
Training is inadequate / not enforced	Training does not meet national standards and / or enhance School teaching standards	Training programmes / interventions meet national standards / enhance teaching standards; all Staff have a clear PDP.	All training maintains & enhances teaching standards; all Staff have a clear PDP.	Apply Teaching Standards. Training is based on Beyond Teaching Standards. Bespoke training can be given, 121 if needed.
Staff morale is low or in danger of lowering	Low morale leads to lower teaching standards, reduced Staff wellbeing & potential unrest	Leaders monitor the wellbeing of their Staff through regular interactions including 121's.	Staff feel valued and also able to express any concerns they have which may lead to low morale.	Really good two-way communications, wellbeing group in place where dissatisfaction can be aired, discussed, and actions taken. Staff survey every term to keep across concerns. Ongoing review. Show action where genuine concerns.
Unable to retain good Staff	Good Staff are unhappy or seek "career" opportunities, leading to increased turnover, lower teaching standards & lower morale	Leaders identify and create career opportunities in School for Staff through PDP's.	High / good performers feel valued and can see how the School can meet their career aspirations.	Unpaid responsibility can be offered. Strong morale – good working conditions. Opportunities for career development are communicated – individuals can volunteer to join initiatives, get involved, etc. Not always doable – some individuals need to move on for their progression.

Recruitment - new Staff lack sufficient capability	New / replacement Staff are unable to meet & improve teaching standards, and create resentment amongst existing Staff	Job descriptions are clear for all roles; Staff who are recruiting must be experienced / supported; compromises must be avoided unless choice is limited.	Only the best candidates are offered a role (accepting that the talent pool for some roles may be limited).	Very thorough recruitment process, application vetted, interview, references, observe teachers teach. Check qualifications. There have been instances where interviewed and not met the criteria so rejected.
Recruitment - new Staff are unable to work with children	New / replacement Staff are unable to pass the criminal record check.	Criminal record checks are completed on all candidates shortlisted for any role.	Candidates that do not pass criminal record checks do not proceed any further in the recruitment process.	Checked as part of the appointment process – subject to DBS & references. Can do background checks, e.g., social media.
School lacks the resources to deal adequately with HR matters	School is unable to manage situations where an HR professional could help to minimise / eliminate them	Engage the appropriate expertise, e.g., from HCC.	Expertise is available to engage in a timely manner in order to manage situations as they emerge.	Previously used LA – Education Personnel Services. Now using a private company which provides a case worker to manage the HR requirement. Recommended by another single academy trust.

Management Information

Category 2	Description	Control	Outcome	Test
Quality	Financial, including performance reporting, and non-financial information produced for SLT and / or TB is inaccurate or in a format that is unusable	Design & deliver suite of reporting; SLT & relevant Panel oversight.	Accurate and usable MI is produced	Monthly cost centre report, month end vs annual budget. Budget vs actuals. Expanded version of underlying cost centres within. Cashflow report. Trial balance, balance sheet. Creditors & debtors. Petty cash reconciliation. Breakdown of payroll costs.
Quantity	Too little financial and non-financial information produced for SLT and / or TB		Sufficient MI is produced	MI is systemised so of a quality.
Timeliness	Financial, including performance reporting, and non-financial information produced for SLT and TB is not available quickly after the period to which it relates		MI is produced on a timely basis	Every month shared with HT & CoT. B&F Panel, FTB: relevant month-end report shared at these meetings.
Review	Not subject to SLT and / or TB review		MI is adequately reviewed	Reviewed by CoT as per Academies Handbook.

	Not acted on by SLT and / or TB		MI is used to make decisions	Presented to SLT monthly. More considerate decision about where the money comes from, what needs to be compromised to make it fit. Decisions are minuted at these meetings.
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Buildings / Estate

Category 2	Category 3	Description	Control	Outcome	Test
Buildings/estate	Maintenance	Become unsafe due to lack of maintenance / deterioration of the condition of the estate.	Regular asset reviews by DoF and HT. Issues identified during H&S visits with H&S Trustee	Maintenance and rectification is foreseen and conducted.	CIF bid paperwork is being developed with a third party expert. An estates strategy, etc, is being developed. To be developed: Good Estates Management for schools (GEMS) – is a five year plan which is currently being developed.

Financial Management

Category 2	Category 3	Description	Control	Outcome	Test
Delegation of authority	Levels set and adhered to	Transactions are not approved at the right level	Authority levels are delegated & communicated to all Staff; transactions audited by RO.	Regular reviews have identified and remediated any gaps.	Alternative provision issue. Measure put in place to control this type of expenditure. Communications issued in school to control this particular type of spend. Wouldn't have come up as a DoA issue if the spend had been controlled in school.

Financial Management - Ledger

Category 2	Category 3	Description	Control	Outcome	Test
Payroll	Payroll is not effective.	Over or under payments are made, including incorrect pension calculations	Payroll procedure in place to ensure payments are correct.	Procedure is adequate; regular reviews have identified and remediated any gaps.	<p>HT approves any non-standard items. New starters, overtime, contract variations (which are held with the contract), leavers, expenses.</p> <p>Transactions are run in the system. Pre-completion report is approved by and signed by the HT.</p> <p>Once authorised, payslips are run, bacs file for bank transfer created, submission made to HMRC.</p> <p>Bacs transmission received from bank, both authorisers sign that the amounts are the same.</p> <p>DoF only creates, is not a signatory. Segregation of duties. HT, DHT's are signatories, x2 are required each month. HT is always the final authorisation. Payroll is audited by external auditor. Check 20 staff (15%).</p>

Information Systems, Data & Security – Sam Lubbe ICT Network Manager

Category 2	Category 3	Description	Control	Outcome	Test
Cyber security		Systems not protected against cyber attack	Deploy security tools as recommended by DfE / ESFA / HCC / infrastructure maintenance provider.	Threat is contained as far as is actually possible in a fast-evolving risk.	<p>Firewall in place which is monitored by Agile (external provider). User account passwords are changed regularly & longer, 2FA authentication school & home. Arbor is within school. Some use a tag others mobile. Automated runs of leavers to enable a/c's to be disabled. Retained for a period for data recovery if needed. Accounts are checked & disabled. Software is usually unlimited licenses. Except adobe which is recycled. Data back-ups offsite (cloud) so not beholden to ransomware.</p>

Unauthorised systems access	Staff, students, contractors, other users, e.g. HCC	Systems not protected against unauthorised access	Policy & procedures which are reviewed regularly and oversighted by Trustees.	Up to date & relevant policy & procedures are in place, with review points.	Teacher login is restricted to their main user a/c. Software updates constantly to avoid cyber-attacks. Random phishing tests. User training & awareness. Must do this to satisfy requirements for insurance. Weekly reminders. Use Google so phishing is blocked / spammed. Banking constantly reminded of fraud obligations & procedure. Security around changing bank a/c details. Suspicious websites are blocked. Teachers will check suspicious emails with the IT team first.
	Administration / super user abuse		Procedures in place to ensure Administrator access is not abused.	Administrator access is not abused.	Can't access exams. Changes e.g., to Arbor are logged. Previous system administrator's access was completely removed. All system passwords changed after he left. Regular sessions with HCC about the types of scams out there and systems updates required to combat. Security audit undertaken to understand weak/access points; National Cyber Security Agency – provide support & information on how to tackle. USBs locked in the library. No personal device access to the Wifi. Guest access can be granted but can't find school network through that.

Trustee Body

Category 2	Category 3	Description	Control	Outcome	Test
Inadequate capability	Ineffective governance and oversight by the Trustee Body, potentially leading to breach of statutory obligations	Trustee(s) do not have the capability to hold the School to account	Training needs, specialisms etc identified; new Trustee needs identified, recruitment targeted at gaps; retention of existing Trustees & skills in place.	Effective governance and oversight by the Trustee Body, minimising the risk of breach of statutory obligations.	DTG has reinvigorated the buddy system, x2 new trustees, skills analysis, governor body training in Oct 24 for holding leaders to account, x1 strong SEND background, x1 runs hedge funds, mailshot to Y7 parents in autumn 24 to encourage new staters.
Passive Trustee(s)		Inadequate review & challenge			
Inappropriate delegation		DoA requirements not understood and too little / too much delegated to the School	Ensure boundaries are clear and Panel ToR's reflect the level of DoA to the Trustee Body.		Clear & enforced.

Independence		Too close to School management	Ensure "critical friend" role is understood by all Trustees.		Good balance. Chair not involved in setting HT goals & review; trustees challenge e.g., B&F challenge of budget forecast.
SIP review		Inadequate challenge of SIP	Ensure FTB agenda allows time for SIP review and that specific actions are delegated to the appropriate Trustees.		SIP is reviewed at FTB. Updated for FTB & followed up.
Lack of RO		Inadequate internal scrutiny	Ensure RO role is understood and valued and that a successor(s) is identified.		External adviser appointed following trustee resignation (same individual).
Inadequate size		Does not have enough Trustees to carry out its duties	Ongoing recruitment: direct replacement where a Trustee retires / resigns.		Sufficient trustees plus HT (SWC x10, B&F x7, SPP x8). ToR says minimum x3 to be quorate.
Inadequate attendance		Quorum requirements for decision-making cannot be met	Ensure Panel allocation meets quorum requirements; reinforce the importance of attendance to all Trustees.		Meeting quorate requirements, no ongoing absence which impacts attendance.
Panel structure		Inadequate experience and DoA to enable effective operation	Training needs, specialisms etc identified; new Trustee needs identified, recruitment targeted at gaps; retention of existing Trustees & skills in place.		Targeted recruitment, full skill-gaps analysis.
Panel ToR's & agendas		Inadequate or inflexible to current and changing needs	Regular review of Panel agendas vs various documents including, but not limited to the SIP and AFH.		Reviewed at the top of each school year. Policies updated on the back of KCSiE for example.