

Internal Scrutiny Report 2022 / 23

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Purpose

To provide Trustees with a summary of the matters arising from the review of the Trust's internal controls for the year 1st September 2022 to 31 August 2023.

This is an Annual Summary Report and summarises the areas that have been reviewed and recommendations to enhance scrutiny and quality assurance across financial and other controls and to support risk management. The conclusions will help the audit committee consider the actions needed, the programme of activity for the next year's activity and to assess areas of progress and areas of vulnerability.

The Academy Trust Handbook (ATH) states that Trusts must submit an annual internal scrutiny report alongside our annual financial accounts to the ESFA / DFE.

Executive Summary

Background

The ATH requires all Trusts to have a programme of internal scrutiny to provide independent assurance to the Board that its financial and non-financial controls and risk management procedures are operated effectively. The states that the work must focus on:

- Evaluating the suitability of, and level of compliance with, financial and non-financial controls. This includes whether procedures are effective and efficient, and checking whether agreed controls and procedures have been followed.
- Advice and insight to the board on how to address weaknesses in financial and non-financial controls, acting as catalyst for improvement, but without diluting management's responsibility for the day to day running of the trust.
- Ensuring all categories of risk are adequately identified, reported and managed.

The ATH provides four options for Trusts to conduct internal scrutiny, these include:

- Employing an in-house internal auditor
- A bought in internal audit service from a firm, other organisation or individual with professional indemnity insurance.
- The appointment of a non-employed Trustee.
- A peer review performed by the CFO, from another academy trust.

In 2022 /23 BDAT used a combination of methods for the delivery of internal scrutiny:

1. Reciprocal Financial peer review from the Chief Financial Officer of Beckfoot Trust (a local Trust of similar context and size).
2. Bought in external quality assurance services in areas of specialism e.g., HR and Education.
3. In-house internal audit in areas where the central team holds expertise e.g., health and safety, website compliance, Safeguarding and Governance. The Trust used this method for a number of areas this academic year, and are proposing the same method for 2023-24 as these Heads of Functions are relatively new to the Trust so it enabled the dual benefit of them also accelerating their own assessment of school and Trust areas of strength and weaknesses in their areas of specialism – they were a fresh set of eyes to the Trust process and practice. In future years the Trust may consider a cycle of additional external audit in these areas to provide additional independent scrutiny using options 1 and 2 listed above.

The combination of methods, utilising both in house expertise and external individuals and organisations are detailed in **Appendix 1**.

BDAT Audit and Risk Committee

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. The Independent Chair is Mr John Halstead. This committee is commissioned to meet three times a year, from 1 September 2022 to 31 August 2023, to review all quality assurance, financial internal audit, external audit processes, health, and safety and safeguarding checks. The Trust Board agree the Terms of reference and membership for the committee annually. They also determine the programme of work and focus for the academic year. A full summary of areas covered in 2022-23 is provided below. The committee receives an internal scrutiny report to summarise the work that has been completed throughout the year.

The Audit and Risk committee consists of three Trustees, and an independent Chair with the relevant skills and expertise. The Accounting Officer, Chief Financial Officer and Director of Corporate Affairs attend to provide information and participate in discussions. Other School and Trust leaders attend upon invitation. This reflects the ESFA regulations and best practice.

The internal scrutiny scheme of work is driven and agreed by the committee and informed by the risk register of the Trust. Internal scrutiny reports on each area identified in the audit plan, including making recommendations where relevant to enhance financial and non-financial controls and to ensure current risks are presented at each meeting.

Appendix Two, describes the summary of risks reviewed by the Audit and Risk committee as part of the Internal Audit plan in 2022 / 23.

Appendix Three, provides the key findings and recommendations identified through the internal audit activity and also details a management response to these areas.

Risk Management

A full review of the Trust's risk register was completed in February 2023 and August 2023 as per the process detailed in the Trust's Risk Management policy.

There are 29 risks on the risk register of which ten are Green and nineteen are Amber. These will inform the Audit and Risk committees priorities for 2023 / 24. The Trust Board will also continue to review risks three times per year as per the Trust's Risk Management policy.

A number of key risks emerged during the year which are likely to be an enhanced focus for 2023-24. The three main areas of risk emerging for the Trust are:

1. Estates Management linked to the presence of RAAC in two BDAT schools
2. Secondary Education Quality Assurance linked to the poor OFSTED ratings in two BDAT academies during 2022-23
3. Finances linked to sufficiency planning and pupil numbers due to declining birth rates across the Bradford District

Safeguarding will also be added as a standard item to every audit committee as per the recommendations in Appendix 3.

Recommendations

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To refine our internal scrutiny, process the following recommendations have been made:

1. To ensure that all risks are covered across the year in the audit committee meetings and the Trust risk register is presented at all meetings, allowing more focus on the risk effecting the trust.
2. As with last year the meetings are themed to ensure that areas are covered in one meeting, allowing for increased depth of scrutiny and to prevent duplication.
3. New focussed areas are identified based on the current Trust risk profile including more profile and attention given to the Trust core risks identified above.

Focus of Audit Committee Meetings in 2022-23

December	April	July
<i>Compliance / Finance</i>	<i>Operations / Compliance</i>	<i>Finance / Strategic Growth/ Education</i>
<ul style="list-style-type: none"> • Recruitment and Retention • Policy and Regulation Compliance • Statutory Accounts • Annual Report and Financial Statement • External Audit Key findings report • Internal Scrutiny Report 	<ul style="list-style-type: none"> • Business Continuity Planning • Governance and Accountability • Governance Recruitment and Retention • Digital Migration of new schools • GDPR • HR 	<ul style="list-style-type: none"> • Pupil Numbers • Admissions • Financial Sustainability • Pension Deficit • Financial Mismanagement • High Value Contracts • Trust Growth • Onboarding of new Academies

	<ul style="list-style-type: none"> • Culture • Health and Safety • Cyber Compliance • Website Compliance 	<ul style="list-style-type: none"> • Education / Standards • Safeguarding
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Appendix One: Methods used for conducting Internal Scrutiny

Financial peer review

Conducted as a reciprocal arrangement with Beckfoot Academy Trust. This involves both Trust finance teams and is led by the two Chief Financial Officers of the Trust. Areas of scrutiny based on previous year's Trust external audit key findings are agreed to focus the financial review.

Bought in external audit services commissioned through:

- **Human Resources** – Fusion
- **Compliance** – Every
- **Education** – B11 and Cathy Anwar

In house internal audit through the central MAT

- **Safeguarding** – Internal - Head of Safeguarding
- **Academy Website Compliance** – Internal – Governance and Compliance Officers
- **Health and Safety**- Internal – Head of Estates and Environment

Appendix Two

December	April	July
<i>Compliance / Finance</i>	<i>Operations</i>	<i>Finance / Strategic Growth</i>
<ul style="list-style-type: none"> • Recruitment and Retention • Online Recruitment Checks • Policy and Regulation Compliance • Estates • Health and Safety • Cyber Compliance • Website Compliance • Statutory Accounts • Annual Report and Financial Statement • External Audit Key findings report • Internal Scrutiny Report 	<ul style="list-style-type: none"> • Business Continuity Planning • Governance and Accountability • Governance Recruitment and Retention • Safeguarding • Digital Migration of new schools • GDPR • HR • Culture • Internal Audit Review 	<ul style="list-style-type: none"> • Pupil Numbers • Admissions • Financial Sustainability • Pension Deficit • Financial Mismanagement • High Value Contracts • Trust Growth • Onboarding of new Academies

Appendix Three Summary of Findings and Recommendations from the Internal Scrutiny work that has taken place in 2022 / 23

Area of Scrutiny and Findings	Recommendations	Management Response
<p>Trusts Digital Assets</p> <p>The Trust's digital assets were 87% compliant to the applied tests that were completed as part of the internal audit (asset in place, asset tagged, and asset register up to date) The Trusts digital providers control and tag the Trust's digital assets and adding them to the Trust's systems.</p>	<p>Head of Corporate Projects to work with the Trust's Digital Provider to ensure that there is an accurate digital asset register and these are added to the Trusts systems.</p>	<p>While there are still some gaps in the Trust digital asset register the Trust Head of Corporate Projects is working proactively alongside the Trust Digital Managed Service provider to ensure all asset registers are updated and will be complete by the end of January 2024. This is mainly due to a piece of work being completed by the digital provider on the compatibility of devices to Windows 11.</p>
<p>Cyber Compliance</p> <p>The Trust is Cyber Compliant in regard to the DfE requirements in the RPA scheme. However, some other Trusts have taken out additional cyber insurance due to the limited nature of the RPA.</p>	<p>To review the RPA scheme to understand what is covered for cyber compliance and confirm if there is a need to arrange additional cyber insurance cover.</p>	<p>The Trust have reviewed the cover through RPA for additional cyber insurance. The Trusts Digital provider are working with the Trust to move towards full compliance with accredited Cyber Essentials and all employees, trustees and governors have undertaken NCSC Security training. The Trust are comfortable with the current system in place. This will continue to be monitored.</p>
<p>Health and Safety Committees</p> <p>The Trust's Site Managers meet regularly, however not all schools in the Trust have a Health and Safety Committee.</p>	<p>Head of Estates and Environment to look into schools holding a Health and Safety Committee once per year.</p>	<p>Health and Safety reporting trends and compliance are reported to the Trust board half termly. There is also oversight and scrutiny at the Local Governing Body</p>

	Representatives on the committee would include Students and Staff.	meetings which take place half termly. The Trust use the Every system to manage Health and Safety in schools.
Business Continuity Planning There is a consistent approach to Business Continuity planning across the Trust.	Succession planning and scenario testing of the BCP's to be reviewed and provide Audit committee members an update at a later meeting	Business continuity plan scenario testing has taken place at ASJ. There is a rolling schedule of four schools to be tested each year in the Autumn and Summer term. The scenario testing is a desktop exercise, using a pre-planned critical incident scenario to see how academy planning withstands a deeper examination under specific circumstances.
Safeguarding CPOMS is used effectively across the Trust, however, there is a misalignment in the way that schools in the Trust categorised incidents.	To align the CPOM's categories so that all schools are using the same categories. Safeguarding to be added as a standing item to the Audit committee.	To inform the Trust wide strategy based on trends and patterns the Trusts Head of Safeguarding has worked closely with the DSL's of each schools to align the CPOM's categories. There is now a consistent approach across the Trust which allows for more meaningful reporting and safeguarding is to be added as a standing item on the Audit and Risk Committee Agenda.
Data Protection – Data Breach There is a Data Breach reporting system in place. 13 data breaches have been reported during 2022-23	Arrange additional GDPR training for central team staff and ensure that staff in the schools fully understand how to report a data breach.	The Trust has a Data Protection Officer and Deputy Data Protection Officer in place who work closely with school staff to ensure they feel confident to report any data

		breaches. All staff receive GDPR training when they start with the Trust and refresher training takes place as needed.
<p>Data Protection – Data Protection Impact Assessment</p> <p>There is some knowledge and a process in place for the Trusts Data Protection Impact assessment. However, further work needs to be completed on this.</p>	<p>o ensure that there is an up to date DPIA in place and this is updated regularly.</p>	<p>The Trust has a DPIA in place and there is ongoing work to ensure this is updated on a regular basis. This will be shared with the Audit and Risk committee in line with the agreed Audit plan schedule.</p>
<p>External Education Reviews</p> <p>Following a full procurement process, B11 and Cathy Anwar have been awarded for the external education quality assurance.</p> <p>The reviews are structured based on the areas for improvement from identified in conjunction with the school based on self-evaluation, central Trust quality assurance and any recent external inspections (SIAMs/OFSTED). They are not designed to be “Mocksted inspections” but are instead intended to be constructive and development. . Each school review therefore has a bespoke focus.</p> <p>A few secondary reviews were disrupted by teacher strikes.</p>	<p>All external reviews will continue to be shared with staff, school leaders, governors and Trustees to inform ongoing school improvement planning and support.</p>	<p>External reviews are not the only education assurance that the Trust undertakes. There is education quality assurance at all levels across the Trust. This starts with the Head and Senior team who monitor, assess and deliver education. Each schools retains a local governing body which review and scrutinise education standards and hold leaders accountable within their own academy.</p> <p>At Trust board governance level there is dedicated primary and secondary committees which look at trust level concerns and schools which are concerning.</p> <p>The Trust board has overall oversight and will continue to scrutinise schools causing concern.</p>

		<p>There is also the education team within the central trust team who quality assure education during their visits to schools. Additional external partners also provide school improvement support, for example TSIO and PEIA partners, the DFE Behaviour Hub and the Local Authority through the DFE commissioned attendance pilot.</p>
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