



# MINUTES

**The Challenge Academy Trust  
Audit and Risk Committee  
Wednesday 4 March 2020, 4.30pm**

**PRESENT MEMBERS:**

Matthew Grant (MG)  
Howard Platt (HP)  
Steve Whatmore (SW)

**IN ATTENDANCE:**

Andrew Moorcroft (AM)      Mike Benson (MB)  
Adrienne Laing (AL)        Stephen Pringle (SP)  
Damian McGuire (AM)

**IN ATTENDANCE:            Lisa Adams – Clerk to Governors**

Part One – non confidential business

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**1. Welcome**

In the absence of the Chairperson Howard Platt chaired the meeting.

**2. Absence and apologies**

Apologies were received from Philip Dyke, Alan Farquharson, Gary Stuart and Linda Waterson.

**Action: HP to contact Claire Findlay in relation to her attendance**

**3. Declaration of personal interests**

There were no declarations of personal interests.

**4. Minutes and matters arising**

The minutes from the previous meeting were agreed as a true and accurate record subject to the following changes:

- Michael Benson's full name is added to the minutes
- HR project management be changed to HR action plan
- 'million borrowings' is removed from the section about statutory accounts

- DM confirmed that trustees have been presented with information. – to be added
- HP felt that there are a lot of positives – to be added

## 5. Internal Audit

### - **Student Records/MIS December 2019**

The purpose of the audit was to review the systems and procedures in place for recording student records at Priestley College Warrington, and ensuring compliance with the Trust's systems and procedures. A review of the overall controls in place to ensure the correct recording of student records and the accuracy of information supplies for management decision making.

The review covered frameworks and procedures, recording and submission of ILR data, and reporting processes. This included:

- Establishing the learner numbers for Priestley College by reviewing the Hun Reports from the R04 submissions
- Reviewing internal policies and procedures to ensure that they comply with the ILR specification
- Ensuring that the FIS system is being used correctly to eliminate errors
- Checking that security over learner data is robust
- Verifying the allocation of unique learner numbers (ULNs)
- From the R04 ILR submissions, extracting a random sample of 30 learners and tracing back to learner agreements to ensure that learners existed and funding was being correctly claimed

There were no recommendations from the audit. A number of areas of good practice were identified:

**HP asked** if this audit would be shared with the Priestley College governing board. MG informed them that it will be shared with them. **HP asked** why this audit was valuable for Priestley College and why other academies weren't part of it. DM informed the group that the 6<sup>th</sup> form funding is different and the EFSA select a sample and audit the ILR. MG reported that it is important that governors know it is robust as it would have an impact on the funding. **HP asked** if it is worth checking that the recording is robust in the other academies. It was noted that the systems for 6<sup>th</sup> form are more complex and for the other academies it is related to the census which is simpler in comparison. AL suggested that the trust may want to check the census for the academies.

**HP asked** how the agenda for the audits has been agreed. DM reported that these were agreed by the Trust Board meeting. He also informed them that in the original tender everything was put forward and each year

the plan going forward is approved. It was noted that this audit was included in the 3 year plan and was deemed useful for the trust. **SW asked** if the plan can be re-issued.

In terms of a student records point of view it is mandatory in Scotland for an audit to take place. The ESFA have to carry out random checks but it still has to be signed off.

MB noted that the audit committee has the remit of directing internal audits. A plan will be put forward at the June meeting of the Trust Board. Every year the auditors meet with the management team to plan the programme of audits which is then presented to the trust board. HP noted that a clear handle is required on what needs to be checked rather than it being steered to what the CET want the Trust to look at. SP informed them that as an audit team they also look at what other clients are auditing. HP noted that this was a comfort knowing that the audit team will bypass the CET if they thought something needed looking at. He felt reassured that there is a mechanism in place.

#### - **Curriculum Planning and Quality Assurance January 2020**

The purpose of the review was to ensure that the Trust has appropriate planning arrangement in place at Priestley College. This review looked at all aspects of the curriculum planning process, from determining the courses which will run, ensuring that there are sufficient resources in place and the delivery methods used. **HP asked** if he is right in believing that there are no national guidelines for the college. MG informed them that there isn't. The trust were informed that through the review and testing, the audit team are able to provide strong assurance over the curriculum planning arrangements in place at the college. SW noted that it is pleasing to see that the college was given strong assurances and only one recommendation. It was noted that curriculum planning is currently the focus of Ofsted inspections. **SW asked** if a similar exercise will be carried out at the other academies. MG felt that it would and that it would be good to do next year looking at the intent, implementation and the impact. If the scope was to be expanded then this would increase the number of days on site. SP reported that another client has made year 3 the focus on looking at the other schools. It was noted that with curriculum planning receiving a strong assurance it wouldn't need to be looked at again unless there is a change in the structure or the curriculum. HP noted that there are no mentions of T levels. He was informed that this will be looked at in terms of next years planning. MG felt that the college reviews what subjects it offers each year. They have received 75 applications for child care so an advert for child care teachers is due to go out.

- **Purchasing, Payments and Procurement February 2020**

A high level review of the procurement arrangements in place, from identifying procurement needs, through to appraising options and contracting with suppliers was conducted. The review looked to provide assurance that the Trust is complying with legislative requirements. It focused on the procurement of large contracts and we also reviewed contract management arrangements, and the processes in place for ensuring that performance is being monitored and expected standards achieved.

The objective of the review was to ensure:

- An agreed procurement strategy and appropriate policies and procedures are in place to guide staff on making purchasing decisions
- Staff have been trained in procurement and receive appropriate procurement support
- Agreed procurement procedures are being constantly followed, leading to value being achieved from purchases
- There are agreed contracts in place with favourable terms, with key suppliers
- Supplier performance is monitored effectively, and use has been made of performance measures and service level agreements

The auditors were able to provide a substantial level of assurance over the procurement and contract management arrangements in place. Through the review and testing, we can conclude that the controls at the Trust were generally found to be satisfactory. However, a high grade recommendation was identified as the Trust does not have a central contracts register in place. There are several areas of good practice to note within the Executive Summary.

The following recommendations were identified:

- Trust collate a single central register of contracts covering the Trust as a whole to cover Trust wide contracts and those relating to Trust Academies
- That KPI's and SLA's be formally monitored with regards to current contracts in place and this is continued for any contracts being entered into going forward
- That the appendix E of the Financial Regulations is updated to give clear and up to date information to staff involved in the procurement process

The risk is that there is no record of when contracts are due up for renewal. Schools could be using the same suppliers but being charged different rates. **HP asked** if any examples were found of not

doing it. DM assured that evidence was provided of monitoring contracts, however it is not recorded in a central place. **HP asked** who's task it was to monitor the contracts. AL noted that it is currently part of her role. She assured them that all schools have a list of contracts and at the moment there isn't a central procurement. All building projects are done on a job by job basis. Options are being reviewed and there may be some that move centrally.

HP noted that when he worked for a PLC a central role was in place to override what was happening company by company to ensure that better deals were had. He asked if there is a case for having that function in place that isn't just Damian Maguire and Adrienne Lang which would outweigh the costs. AL noted that there are definitely options for significant savings in the first year however these returns then diminish. Research says that the optimum size of a trust to make savings is 15 – 20. It may be that once the trust reaches that size consideration will be given on employing someone centrally. SP noted that the first recommendation is to get a central register in place. **HP asked** if someone could be employed on a temporary contract for a year and be paid in line with the percentage of savings made. AL felt that the priority is to focus on the SLAs and utilities which are due up for renewal. DM noted there are a number of companies who don't offer a discount for buying in volume. He assured governors that as a trust they are always looking at ways to save money. HP noted that both DM and AL have massive workloads already and that the logical step may be to employ someone. MB suggested that the first task is to put a register in place and that in terms of SLAs it is dependent on the service we get and not all about the price. AM suggested that the role could be combined with looking at income revenue to utilise the TCAT building more. DM noted that with the current Brexit situation it may be too soon to move towards this. The financial regulations dictate that the trust is required to go out to tender. HP asked that this be kept under review and opportunities taken.

**SW asked** if the trust has a vision of what other schools have in place. AL noted that every school has something in place but not in the same level of detail. As the contracts come up for renewal we can look at having it recorded in a similar format. AL noted that it will take time but assured members that the information is available all be it not in the same place. AL also noted that the trust has an apprentice who will be able to support in this piece of work. **HP asked** if the amount of savings made as a trust is known. DM and AL reported that a figure isn't known yet. There are records of savings on individual activities in the early days but these haven't been summarised. The trust is currently keeping a record of all the savings it will make this year. **HP asked** if there is any indication. DM noted that the savings and benefits are due to be presented at the Priestley seminar. The large

part of the savings is in relation to the VAT return. HP noted that this is a one off. DM reported that there could be £150k savings per annum. HP felt that these headlines would be useful to know to be able to share with interested schools.

## 6. External Audit

It was confirmed that the accounts were submitted by the deadline. These accounts are now required to be submitted in an annual return by 20<sup>th</sup>. It was noted that the format of the annual return is not easy and can take a number of days to populate. **HP asked** if the trust had provided feedback to the government about the issues with the form. AL informed them that it has. **HP asked** if the auditors are involved with this. MB noted that for they are supporting the two smaller schools at no charge however it was assumed that others would be able to do it themselves. **HP asked** if the completion of this document could be outsourced. MB noted that it couldn't as internal information is required. Support was provided for one school as it was known that they didn't have the expertise. **HP asked** if despite all the issues with completing the form was submitted on time. DM informed them that it was. **HP asked** how soon it would be that he would receive any questions about the accounts. DM noted that he has had one query about the VAT return as something had been entered in the incorrect box. It was reported that compared to a previous year there have been no changes. **HP asked** if interim work is planned. MB informed them that they are due to visit schools. HP asked where the auditors were in terms of their tenure. MB noted that the contract is for 4 years so are half way through. **HP asked** about the renewal process. MB noted that there is pressure on larger firms to increase their fees. DM reported that some increases have been up to 35% and another form has been introduced for 6<sup>th</sup> forms. MB informed members that they don't face the same pressures to increase their fees. **HP asked** if AL and DM were happy with the internal and external auditors. AL informed them that they were.

## 7. Risk Management Plan update

It was reported that since this has been written there has been a lot of information about the current coronavirus situation. In terms of guidance around this it is a moving feast.

It was reported that the boiler at Penketh High has broken down.

The safeguarding part of the document includes what is known about the coronavirus and plans that need to be put in place. Parents and staff are issued with the most recent guidance. **SW asked** what the trust are doing. MG informed them that the trust and academies are all following the current

guidelines. Discussions are ongoing about how children/students will be able to access education if the organisations are to close.

Business plans are being put together for those academies with budgetary issues. The trust has been assured that it will receive in year funding for Padgate Academy.

In terms of admissions the overall picture is positive. There are still some concerns around Penketh High. Wade Deacon appear to have taken a number of students from them. For Priestley applications are 18% higher than this time last year which equates to 200 extra students.

The local issue around the smoking ban has settled down now.

The result of the free school application should be announced before the 18 March. Applications for Kings 6<sup>th</sup> form have increased. **HP asked** how many are there in the 6<sup>th</sup> form. MG reported that there are 30.

In terms of the capital works at Padgate Academy everything is running to time. The licence for building the fence at Sir Thomas Boteler is still outstanding. **HP asked** if this is due to the planning department at the Local Authority. AL reported that the agreement was in place and then application for planning was submitted. It then went back to the legal team about the licence and the letter confirming this is outstanding. **HP asked** if it is slowed down due to the legal department at the Local Authority. AL informed them that it is and that she has chased this on several occasions. She also informed them that she has expressed in her letter that if a safeguarding incident occurred it will be put back to the Local Authority.

It was reported that steps are in place to put an interim executive board at Padgate Academy.

In terms of additional 6<sup>th</sup> form strike action another one is planned for next week. It is hoped that a two year settlement will be made.

It was reported that Penketh Highs recent Ofsted inspection was positive.

## **8. Any other business**

There was no any other business.

## **9. Future meeting dates**

The meeting closed at 6:00pm